

U.S. INTERNATIONAL FOOD ASSISTANCE

REPORT 1999



UNITED STATES AGENCY FOR INTERNATIONAL
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PREFACE

This report provides an overview of United States (U.S.) Government food assistance activities through Public Law 480 (P.L. 480) and related statutes during FY 1999. The United States Agency for International Development (USAID), which administers P.L. 480's Title II and Title III programs, is responsible for the bulk of U.S. food aid assets. The U.S. Department of Agriculture (USDA) administers Section 416 (b), Title I and Food for Progress (FFPr) programs. Despite recent budgetary constraints, the United States (U.S.) has remained the world's major provider of food assistance. This year, record surpluses in some U.S. commodities and increased need for food aid worldwide led to a substantial increase in total U.S. food assistance. With the legal framework of the Government Performance and Results Act, USAID, USDA and its partner organizations are committed to continually looking at ways to improve food aid programs: planning strategically, relating budgets to a performance plan, evaluating and compiling accomplishments, and reporting to the public.

Chapter I, "The Challenge: Global Hunger and Food Insecurity," focuses on the more than 800 million people today who are chronically undernourished including over 180 million underweight children. It analyzes the growing need for food aid resources in the face of limited global availability and the rising requirements for emergency food aid. The growing mismatch between food aid supply and demand emphasizes the need for more focused geographical targeting of food assistance and directed use of food aid in programs which have as their goals and objectives sustainable development leading to the alleviation of food insecurity.

Chapter II, "The Response: Targeted Food Aid for Greater Food Security," reviews the programs and activities through which the U.S. Government provides food assistance in emergencies and helps food insecure populations reach the point where they can feed themselves. Country-specific examples illustrate strategies. The U.S. Action Plan for Food Security, our follow-up to the World Food Summit, coordination with other donors, and other related initiatives are also discussed.

Chapter III, "Highlights: The Program in Numbers," provides an overview of the U.S. FY 1999 international food aid program in terms of resources allocated to each program component, as illustrated by graphs and figures.

Chapter IV, "Accomplishments 1999," reports on improvements in food aid management by USAID and USDA, as well as progress on Title II program performance indicators that demonstrate people-level impact and improvements in technical capacity for managing and implementing food assistance programs. These are achieved through the efforts of USAID's Bureau of Humanitarian Response/Office of Food for Peace, USAID Missions and cooperating sponsors. Improvements in program design and documentation through compliance with USAID's environmental Regulation 216, improved management of commodity monetization, increased nutritional benefit to food aid recipients through Vitamin A fortification of vegetable oil, and two recent impact evaluations in food-deficient countries are also discussed. Lastly, the impressive accomplishment of the NGO-initiated Sphere project is highlighted.

Chapter V, "U.S. International Food Assistance: Impact on the U.S. Economy," offers a brief overview of the direct and indirect ways Americans benefit from food assistance programs. This includes both the spending to purchase, process, package and transport food assistance commodities and the increased trade that comes from the economic development that non-emergency food assistance supports.

IN APPRECIATION

In the last year, the tragic deaths of a number of humanitarian assistance workers underscored the courage and compassion consistently shown by the international relief community in performing their duties, often under exceedingly difficult and dangerous conditions. In October 1999, we received news of the tragic killing of WFP and UNICEF international staff, while on mission in south-east Burundi. On November 12, 1999, a WFP-chartered plane with 24 passengers and crew crashed north of Pristina, in Kosovo. All 24 were killed, including three WFP staff members. As UN Secretary - General Kofi Annan wrote in a letter of tribute to the families of the victims: "The men and women who play a part in humanitarian work are a special breed. Their work is the finest, most concrete expression of international cooperation and compassion for those in need." WFP Executive Director Catherine Bertini commented: "We honor the lives of twenty-four people who chose as their life's work to improve the lives of others. They created the substance of their destiny by their commitment, their energy, their courage, their dedication. They have touched the lives of thousands of people in Kosovo and throughout the world... people that they may never have met, but whose lives are improved forever because of their work."

It is indeed fitting that the 1999 Nobel Peace Prize was awarded to the French non-governmental organization Medecins sans Frontieres (Doctors without Borders) for their exemplary work in humanitarian assistance around the globe, including activities in some 20 conflict-ridden countries. As the Norwegian Nobel Committee noted: "In critical situations, marked by violence and brutality...each fearless and self-sacrificing helper shows each victim a human face, stands for respect for that person's dignity, and is a source of hope for peace and reconciliation."

On November 4, 1999, USAID and Members of Congress honored the work of humanitarian relief agencies (including Doctors without Borders) that have responded to more than 140 disasters which occurred over the past two years affecting millions of vulnerable people in some of the world's poorest countries. USAID Administrator J. Brady Anderson remarked at the ceremony held at the Hart Senate Office Building: "Thousands of people around the world have benefited from the work these courageous organizations have done. The U.S. Government is fortunate to partner with these organizations and we are glad to have the opportunity to honor their work."

EXECUTIVE SUMMARY

United States international food assistance shares the bounty of American agricultural productivity with those in need around the world. The main mechanism for international food assistance is the Agricultural Trade Development and Assistance Act of 1954, also known as Public Law 480 (P.L. 480). In re-authorizing P.L. 480 legislation through the Federal Agricultural Improvement and Reform Act (FAIR), commonly referred to as the 1996 Farm Bill, Congress reaffirmed the principal intent of US international food assistance programs to:

- Combat world hunger and malnutrition and their causes;
- Promote broad-based, equitable and sustainable development, including agricultural development;
- Expand international trade;
- Develop and expand export markets for U.S. agricultural commodities; and
- Foster and encourage the development of private enterprise and democratic participation in developing countries.

U.S. food aid responds to emergencies from both natural and man-made causes, moving U.S.-produced food into the world's most dangerous and devastated regions. U.S. food aid also addresses nutritional inadequacies and longer-term food security issues, working with a variety of government and non-government partners to promote sustainable agriculture, open markets, and nutritional improvements, especially for women and children health.

In Fiscal Year (FY) 1999, the United States provided nearly 10 million metric tons, valued at more than \$2.4 billion, to 82 developing and re-industrializing countries, reaching millions of people worldwide. This assistance was almost equally divided between emergencies and longer-term development programs.

U.S. international humanitarian and development food assistance also has a positive impact on the U.S. economy. The U.S. economy benefits directly because commodities used in food assistance programs are produced by American farmers, and processed and packaged by American businesses. The commodities are transported by U.S. rail or motor transport to U.S. ports to be shipped in large measure on U.S. flag vessels to recipient countries. Indirectly, millions of Americans benefit when international food assistance promotes the development that helps former aid recipients become commercial importers of American commodities.

FY 1999 witnessed an unprecedented combination of events that dramatically increased the need for international food assistance. The aftermath of Hurricanes Mitch and Georges in Central America and the Caribbean, severe flooding in Asia and continuing droughts in the Horn of Africa reduced food supplies in all three regions. The continuing international financial crisis, most severe in Asia, also affected developing nations in Africa and Latin America. Devaluation of local currencies left some countries hard pressed to purchase food imports necessary for adequate consumption. In countries such as Indonesia, the financial crisis compounded the impact of a food emergency initially related to weather patterns and political turmoil, and violence in East Timor added to the calamity. Food emergencies from conflict or post-conflict repercussions continued to demand a large portion of food assistance resources.

The United States Agency for International Development (USAID) directly manages the bulk of U.S. P.L. 480 international food assistance. P.L. 480 Title II activities, valued at \$949 million, moved a total of 1.9 million metric tons of U.S.-produced food-stocks assisting more than 45 million direct beneficiaries worldwide in 1999. Title II funding included support to the Farmer-to-Farmer (FTF) program – technical assistance by U.S. volunteers to developing countries and emerging democracies in agriculture and agribusiness. USAID also manages P.L. 480 Title III programs – bilateral grant food assistance tied to policy reforms. In FY 1999, three of the most distressed and food insecure countries in the world—Ethiopia, Mozambique and Haiti—received a total of \$21.7 million in Title III aid. These countries have shown their capacity to use food assistance effectively and, importantly, the governments are increasingly committed to longer-term reforms promoting food security.

For FY 1999, USDA-administered Title I and Title I-funded Food for Progress agreements were signed for 2.2 million tons value at about \$656.1 million. In addition, Food For Progress programs using CCC funds were planned with U.S. private voluntary organizations for projects in over 20 countries totaling over 160,000 tons of commodities valued at over \$60 million (not including ocean freight).

Near the end of FY 1998, a Presidential Initiative under Section 416(b) authorized 2.5 million metric tons of wheat and wheat products to meet urgent humanitarian needs. This instrument proved exceedingly important in the U. S. Government's response to a number of unfavorable food supply situations that carried over into FY 1999, including adverse weather and economic difficulties in Asia, and hurricane devastation in Central America and the Caribbean. Also, in FY1999, the widespread shortfall of the Russian grain harvest and that country's ensuing catastrophic financial crisis prompted the President to extend Section 416(b) funding to move surplus U.S. agricultural products to assist the people of Russia and five other countries of the former Soviet Union. New U.S. agreements with the governments of North Korea and Vietnam committed sizable quantities of U.S. food stock – all to relieve hunger due to flooding and related crisis. In all, some 5.5 million metric tons of commodities, primarily wheat and wheat flour, were donated to 45 nations under the Section 416(b) program. Donations of \$209 million to the World Food Program (WFP) under Section 416(b) aided refugees, the internally displaced, and victims of floods and droughts - in 23 countries.

The Russian assistance package included both Title I concessional loans and direct donations of Section 416(b) and Food for Progress commodities. The size of this assistance package (3.1 million metric tons and almost \$750 million), when added to generous Section 416(b) donations elsewhere, accounted for a substantial increase worldwide in FY 1999 U.S. food aid compared to prior years.

During FY 1999, both USAID and USDA, the administering agencies for U.S. international food assistance, continued improvements in program management. After a successful pilot in FY 1998, this year saw full implementation of pre-positioned food aid stocks. Quantities of selected commodities stored at two key U.S. ports are greatly improving food aid delivery by reducing delays and avoiding “food aid pipeline” bottlenecks. This pre-positioning activity also helps to strengthen the economic vitality of these ports.

USAID-administered Title II emergency and non-emergency operations are now reporting on the development-oriented food security objectives and performance indicators established in 1996. Improved monitoring systems are showing the impact of targeted assistance to the most food insecure and disadvantaged population groups. USAID staff is working with its cooperating sponsors to improve the effectiveness and efficiency of monetizing commodities as well as overall program planning, reporting and approval process.

Additional accomplishments in FY 1999 include the decision to fortify all packaged vegetable oil used in P.L. 480 Title II programs with Vitamin A. A new policy addressing nutrient fortification of corn-soy blend was established this year. These nutrient policies applied to food aid for developing countries will help reduce the incidence of childhood blindness and many other diseases, while increasing beneficiary resistance to infection. Moreover, USAID’s Center for Development Information and Evaluation (CDIE) completed two country impact evaluations – on Haiti and Mozambique, both priority countries of U.S. food assistance programs. CDIE is proving a valuable clearinghouse for information on “best practices” related to international food assistance.

“With America’s current surplus of grain, we have a moral obligation to act when millions of people elsewhere are going hungry or without adequate nutrition. At a time of turmoil around the world, these [commodities] will serve as a tool of mercy and a tangible expression of commitment to peace and prosperity for people everywhere.”

USDA Secretary Dan Glickman, April 29, 1999

INTRODUCTION

“We pledge our political will and our common and national commitment to achieving food security for all and to an ongoing effort to eradicate hunger in all countries, with an immediate view to reducing the number of malnourished people to half their present level no later than 2015.”

Rome Declaration, World Food Summit, 1996

FOOD ASSISTANCE FOR GLOBAL FOOD SECURITY

Public Law 480 (P.L. 480) was enacted in 1954 as the U.S. government’s primary food assistance legislation. While earlier legislation allowed for agricultural surpluses to be donated to voluntary agencies for relief work, these surpluses were not consistently available. P.L. 480 ensured a steady supply of food to agencies for longer-term projects. The Federal Agriculture Improvement and Reform Act of 1996, commonly referred to as the “1996 Farm Bill” re-authorized and amended P.L. 480. This food aid legislation states:

It is the policy of the United States to use its abundant agricultural productivity to promote the foreign policy of the United States by enhancing the food security of the developing world through the use of agricultural commodities and local currencies accruing under this Act to:

- 1. Combat world hunger and malnutrition and their causes;*
- 2. Promote broad-based, equitable, and sustainable development, including agricultural development;*
- 3. Expand international trade;*
- 4. Develop and expand export markets for United States agricultural commodities; and*
- 5. Foster and encourage the development of private enterprise and democratic participation in developing countries.*

U.S. strength and global leadership, particularly in the agriculture sector is a major resource for emergency relief to the needy around the world. Moreover, U.S food assistance policy directed at the promotion of long-term food security yields mutual benefits for both aid recipients and American citizens, as food aid-supported development activities open up new possibilities for expanding U.S. agricultural and manufacturing markets.

The three Titles of P.L. 480 each have specific objectives and provide aid to countries at varying levels of economic development. In addition, three other U.S. Food Aid Authorities support international food assistance. The Food for Progress Act of 1985 provides commodities to countries expanding free enterprise in their agricultural economies. Food aid may be given directly to needy citizens or monetized to provide funds for development projects.

Title II, Section 416(b) and Food for Progress food assistance activities are implemented by Cooperating Sponsors (CS):

- The World Food Program (WFP);
- U.S. private voluntary organizations (PVOs);
- Cooperative development organizations (CDOs);
- Non-governmental organizations (NGOs); and
- Government-to-Government Title II emergency assistance.

Title I, Title III, and some Section 416(b) and Food for Progress assistance programs are implemented by recipient governments.

Agreements may be with governments, PVOs, NGOs, private entities, cooperatives, or intergovernmental organizations. Section 416(b) of the Agricultural Act of 1949, as amended, provides for overseas donations of surpluses acquired by the Commodity Credit Corporation (CCC). Lastly, the Food Security Commodity Reserve Act of 1996 provides for a 4 million metric ton food reserve to meet humanitarian food assistance needs in developing countries, when other U.S. food assistance funding has been fully committed. (See Appendix 1 for a descriptive chart on U.S. Food Aid Programs.)

DEFINING FOOD SECURITY

“Food security exists when all peoples at all times have physical and economic access to sufficient food to meet their dietary needs for a productive and healthy life. Food security has three dimensions:

AVAILABILITY of sufficient quantities of food of appropriate quality, supplied through domestic production or imports;

ACCESS by households and individuals to adequate resources to acquire appropriate foods for a nutritious diet;

UTILIZATION of food through adequate diet, water, sanitation, and health care.”

Source: *The U.S. Position Paper Prepared for the World Food Summit*, July 1996

The 1990 Farm Bill first identified the concept of food security as an objective of U.S. food assistance programs. In the Bill, food security was defined simply as “access by all people at all times to sufficient food to meet their dietary needs for a productive and healthy life.” The USAID *Food Aid and Food Security Policy Paper* (USAID, 1995) and the *U.S. Position Paper for the World Food Summit* (November 1996) further expanded and refined the definition of food security to encompass the three dimensions of *access, availability* and *utilization* of food for all. Through the World Food Summit, this definition has been accepted by most nations.

Addressing global food security is essential to U.S. strategic interests as it promotes political and economic stability beyond its humanitarian goals. U.S. international food assistance continues to play an important role in achieving global food security. Providing adequate food for sustenance in times of crisis is necessary and will remain a key task of food assistance programs.

Food relief is not, however, sufficient to achieve global food security. Long-term food security requires a much more comprehensive and targeted food assistance strategy, which promotes the social and economic conditions that enable individuals to gain access to food, either by producing it themselves or earning income to buy it.

The food security concept now serves as a planning tool and framework for designing U.S. international food assistance activities and for measuring their “people-level” impact. This framework encompasses project management, monitoring and evaluation objectives and tracks institutional strengthening needs. In short, U.S. international food assistance will continue to meet acute emergency needs in accordance with commitments of the World Food Summit’s Plan of Action, while also helping food insecure populations develop to the point where they can feed themselves.

Declaration of the World Food Summit (Rome 1996) Seven Commitments to Food Security:

1. Create a peaceful enabling environment with full and equal participation of women and men to ensure food security and poverty eradication;
2. Reduce poverty and facilitate access to food;
3. Adopt sustainable policies for agriculture, forestry and rural development;
4. Facilitate trade, a key element in food security;
5. Improve forecasting and early response to prevent and resolve food security emergencies;
6. Promote optimal allocation and use of public and private investment for human resource development;
7. Implement, monitor and follow-up the Summit’s Plan of Action at all levels.

FOOD SECURITY AND NUTRITION

Linking food aid to food security and nutrition is critical. Malnutrition, an indicator of food insecurity, is a consequence of inadequate dietary intake and feeding practices, as well as the lack of sanitation, clean drinking water and health services that can lead to increased incidence and severity of disease. The access, availability and utilization of food adequate for proper nutrition are often compromised by social, political, economic and cultural elements. Of the nearly 12 million children under five who die each year in developing countries, 55 percent of the deaths are attributable to malnutrition (according to UNICEF's, *State of the World's Children*, 1998 which focuses on the problem of child hunger). Because malnutrition can lead to intellectual and physical dysfunction and vulnerability to disease, it robs developing countries of potential productivity. By some estimates, the disability and loss of life associated with vitamin and mineral deficiencies may reduce the gross national product of developing countries by as much as 5 percent per annum.

Food assistance particularly targets young children, as children are among the most vulnerable to effects of inadequate nutrition. However, malnutrition can start before birth. UNICEF reports that in Asia, where half of all children are underweight, 60 percent of women of childbearing age are underweight. In Southeast Asia, 45 percent of childbearing age women are underweight; in Sub-Saharan Africa, the proportion of underweight women is 20 percent. Interventions that target pregnant and lactating women support stronger children and stronger children grow into stronger, more productive adults.

Whatever the misconceptions, the dimensions of the malnutrition crisis are clear. It is a crisis, first and foremost, about death and disability of children on a vast scale, about women who become maternal mortality statistics partly because of nutritional deficiencies and about social and economic costs that strangle development and snuff out hope.

The State of the World's Children, UNICEF, 1998

I. THE CHALLENGE: GLOBAL HUNGER AND FOOD INSECURITY

A. POVERTY AND OTHER CAUSES OF FOOD INSECURITY

Chronic poverty is the chief cause of food insecurity. Poverty condemns too many families to a cycle of food insecurity, vulnerability and dependency. They lack adequate land and water to either produce their own food or the economic opportunity to exchange labor for the income needed to purchase food in adequate amounts. Among the factors contributing to poverty in the developing world are:

- low agricultural productivity and limited availability of arable land,
- high rates of population growth,
- inadequate infrastructure,
- inappropriate economic and environmental policies,
- unequal distribution of assets such as land and lack of credit,
- low levels of education and poor health status,
- environmental degradation and,
- civil conflict.

At the national level, food insufficiencies may be due to inadequate agricultural production and/or inability to import foodstuffs. Civil unrest or inadequate infrastructure can disrupt or prevent the development of distribution networks even when food is available within a country or region. Finally, social conditions and cultural norms often prevent adequate access to and/or utilization of food, especially by women. Appropriate agricultural and trade policy, investment in rural infrastructure, improved sanitation, health care and education all contribute to better nutrition and long-term food security.

Increasingly, development agencies are focusing on the importance of improving women's education, farming techniques and/or their incomes as a key to improving household food security and nutrition.

- Women account for more than half the labor required to produce food consumed in the developing world, and perhaps three-fourths in Sub-Saharan Africa.
- The majority of women in developing countries are illiterate. This has serious implications for agricultural productivity and incomes. Better-educated farmers are more likely to adopt new technologies and to use extension services.
- Women's incomes are more strongly associated with improvements in children's health and nutritional status than are men's incomes.

Source: *Women: The Key to Food Security, Food Policy Report*, IFPRI, 1995

World Food Aid Deliveries, 1998 All Donors

Sub-Saharan Africa:
2.9 million tons

South & East Asia:
2.9 million tons

North Africa & Middle East:
0.35 million tons

Latin America & The Caribbean:
1.0 million tons

Europe & NIS:
0.8 million tons

WORLD TOTAL:
8.0 million tons

Source: World Food Program, *The Food Aid Monitor*, May 1999

Note: In 1999, WFP expects an increase of 50% or more (Source: WFP/International Food Aid Information System)

GLOBAL FOOD SUPPLY AND DEMAND

Global food supply is sufficient to feed the world's population. The problem has been in unequal distribution of food supplies and the inability of poorer countries either to produce sufficient food or to generate enough income to import adequate levels of food. As we look to the next century the picture changes.

Nearly 75 million people will be added to the world's population every year from now through 2020. Rising incomes in many developing countries, especially Asia, will spur a large increase in global demand for food. To close the large gap between food production and demand projected for 2020, the International Food Policy Research Institute (IFPRI) concludes:

- The world's farmers must produce 40 percent more rice, wheat, and other grains;
- Developing countries must double their cereal imports; and
- Sixty percent of the developing world's cereal imports will likely have to come from the United States.

"To minimize the risk of food shortages, policymakers must begin taking steps now," says Dr. Per Pinstrup-Andersen, in *World Food Prospects: Critical Issues for the Early Twenty-First Century* (IFPRI, 1999). Dr. Pinstrup-Andersen, IFPRI's director general and a coauthor of the report, warns that "poor countries and poor people risk losing out on the economic benefits of more open global trade. International trade liberalization has to go hand-in-hand with national policy reforms, investments in the agriculture sector, access to developed-country markets, and the elimination of export subsidies in industrialized countries."

During the next several decades, population growth will be a significant factor determining overall and regional demand for food. Despite projections of slowed population growth rates, the UN estimates world population will be over 8.5 billion by 2025. Over 95 percent of the increase will take place in developing countries. The challenge is assuring that these people will have sufficient food and nutrition to become productive participants in growing economies engaged in sustainable development.

"The bad news is that there will continue to be a lot of hungry people. The good news is that if we choose the appropriate technologies and make the right investments, the world's farmers will be able to satisfy global food needs."

Dr. Per Pinstrup-Andersen, IFPRI 1999

"In the next two generations our world will consume twice as much food as has been consumed in the entire history of humankind."

Rajul Pandya-Lorch,
Director, Vision
2020 Project at:
Building
Partnerships to
Achieve Food
Security: An NGO
Consultation,
June, 1999

NOBEL ECONOMIST SAYS ADEQUATE NUTRITION KEY TO ECONOMIC GROWTH

In his address accepting the Nobel Prize in Economics in 1993, University of Chicago economist, Dr. Robert W. Fogel presented historical evidence of the linkage between diets and agricultural production. With data going back to 1700 in Britain and France, he showed that human labor productivity did not soar until sufficient nutrition permitted continuous strenuous labor. Dr. Fogel notes, "... the bottom 20 percent of the population subsisted on such poor diets that they were effectively excluded from the labor force, with many of them lacking the energy even for a few hours of strolling."

Dr. Fogel adds, "Poor nutrition increased vulnerability to diseases – chronic and contagious – disabling people and further reducing productivity." He concludes, "When the mean amounts of calories are as low as they are in the poor nations of the world, labor force participation rates are bound to be low, especially when the hours of labor are adjusted for the intensity of labor. I estimate that...improved gross nutrition accounts for roughly 30 percent of the growth of per capita income in Britain between 1790 and 1980."

Dr. Robert W. Fogel, "Economic Growth, Population Theory, and Physiology: The Bearing of Long-Term Processes on the Making of Economic Policy," in The American Economic Review, June 1994

REGIONAL VARIATIONS IN FOOD INSECURITY

At current rates, global demand for food will almost double in 30 years. The greatest demand for food will, like population growth, be concentrated in developing countries.

The largest percentage increase in demand for food will be in Sub-Saharan Africa.

(USDA, 1999)

Approximately 828 million people are chronically undernourished in the world. After declining steadily during the 1970s and 1980s, the number of chronically hungry people in the world has increased since the early 1990s according to the findings of FAO's *The State of Food and Agriculture 1998*. While no region is immune to hunger, the vast majority of these people live in 87 low-income food-deficit countries (LIFDCs), as defined by the UN's Food and Agricultural Organization (FAO). These countries have difficulty producing enough food to feed their populations and often lack the financial resources to import the amount necessary for adequate consumption. Almost half of these LIFDCs are in sub-Saharan Africa. Most of the rest are in Asia and Latin America, but some Eastern European states making the transition from centrally planned to market economies also fit into the LIFDC bracket.

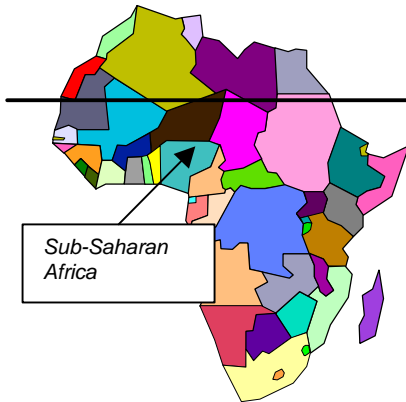
Despite notable anticipated progress, IFPRI projects that 135 million children under five years of age will be malnourished in 2020. This represents a decline of only 15 percent from 160 million in 1995, in contrast to the World Food Summit's goal of a 50 percent overall reduction in hunger. One of every four children in developing countries will still be malnourished in 2020 compared with every third child in 1995. (IFPRI, *World Food Prospects: Critical Issues for the Early Twenty-First Century*, 1999)

There are 87 Low-Income Food-Deficit Countries (LIFDCs) in the World:

<i>South & East Asia</i>	<i>21</i>
<i>Latin America & The Caribbean</i>	<i>9</i>
<i>North Africa & Middle East</i>	<i>6</i>
<i>Sub-Saharan Africa</i>	<i>41</i>
<i>Europe & NIS</i>	<i>10</i>

The United Nations defines LIFDCs as "all countries which are net importers of basic food-stuffs with per capita GNP not exceeding the level set by the World Bank to determine eligibility for soft loan (IDA-International Development Association) assistance." Sources: UN/FAO 1999

Malnutrition is of particular concern in Sub-Saharan Africa and South Asia. These regions will, for the foreseeable future, remain food insecure and will require food aid resources, even in the absence of further natural disasters and other complex emergencies to which they are prone.



Sub-Saharan Africa. Sub-Saharan Africa (SSA) is the region with the highest proportion of chronically undernourished people. Although SSA grain yields are projected to increase, they will fall short of the growth required to significantly improve food security. If present trends continue, USDA estimates that two-thirds of the region's population, or 484 million people will be undernourished by 2008. (USDA/ERS, *Food Security Assessment: Why Countries Are At Risk*, 1999.)

The principal causes of food insecurity in this region are low levels of agricultural productivity and low average per capita real GDP. Moreover, civil strife in many countries disrupts food production and distribution networks. Yet, the number of African countries with positive economic growth rates is increasing. Nevertheless, the food import bill of many countries diverts resources from investments in long-term development – a situation especially acute for countries with slow or stagnant growth.

Nine of the 10 countries with the highest child mortality rates are in Africa

Highest Child Mortality:

1. Sierra Leone
2. Angola
3. Niger
4. Afghanistan
5. Mali
6. Liberia
7. Malawi
8. Somalia
9. Congo, Dem. Rep.
10. Mozambique

Source: *The State of the World's Children*
UNICEF, 1999

In Sub-Saharan Africa, 210 million people, or 39%, of the population are chronically under-nourished. (FAO, 1998)

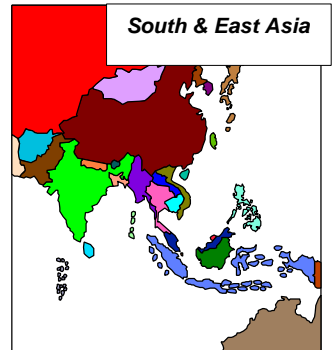
By 2008, current trends indicate that number will rise to 484 million people, or 64% under-nourished. (USDA, 1999)

SOUTHERN AFRICA: FOOD PRODUCTION AND PROJECTIONS

- Southern Africa is becoming hotter and dryer
- Only 6% of the land is arable
- Increasing population pressure on marginal land
- Scarce physical and financial resources
- Small holders account for 70% of production
- Cereal yields are decreasing 3%/year; birth rate increasing 3%/year
- About 70% of the labor force are dependent on agriculture – subsistence, employment & income

Source: USAID Regional Center for Southern Africa

South and East Asia. Economic growth and agricultural innovations in the last 20 years have eased malnutrition in the region. Despite these gains, Asia still has half a billion chronically undernourished people. By 2008, nearly 40% of the region's population will still not be able to meet their nutritional needs (USDA, 1999).



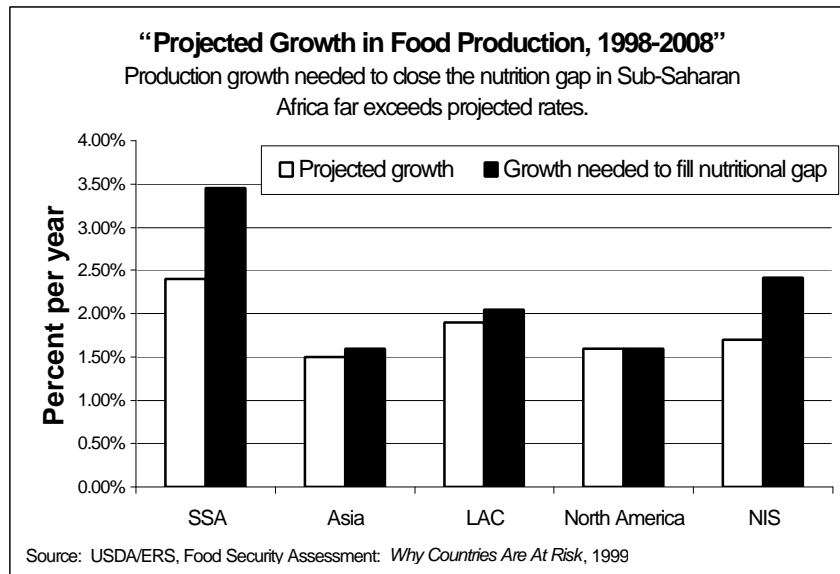
In East and Southeast Asia, 258 million people, or 15% of the population, are undernourished.

In South Asia, 254 million people, or 21% of the population, are undernourished.

(FAO, 1998)

With increased agricultural productivity from Green Revolution innovations, the principal causes of food insecurity are not always related to the inadequate availability of food. Factors that contribute to high levels of food insecurity in South Asia are:

- Inequitable income distribution with profound poverty among the rural landless and other vulnerable groups;
- Illiteracy and the low social status of women, which constrains their access to food and their ability to secure food for their children; and
- High population density and inadequate water and sanitation infrastructure exacerbate health problems that prevent proper nutrition.



B. THE CONSTRAINTS FACING FOOD AID

FOOD AID NEEDS AND AVAILABILITY

The U.S. Department of Agriculture (USDA) estimates both long-term global food aid needs and the future availability of food aid. A 1995 report looked especially at the need for food grains over the period 1996-2005 in 60 low-income, traditionally food-importing countries. The report concluded that, even with optimistic projections for agricultural production and income growth in developing countries, estimated need for (cereal-based) food assistance will nearly double over the next decade. Total food aid needed to maintain consumption and to meet emergency needs, about 15 million tons in 1996, will increase to 27 million tons by 2005 (*USDA/ERS, October, 1995*).

INCREASED EMERGENCY FOOD AID REQUIREMENTS

Weather-related disasters led to increasing numbers of emergency responses by U.S. and world aid donors in FY 1999. The aftermath of Hurricanes Mitch and Georges left much of Central America and the Caribbean in need of both short- and long-term assistance. Countries of the Sahel and Southern Africa continued to experience poor harvests due to severe weather. Bangladesh experienced record-breaking water levels for extended periods, imperiling people and disrupting planting. Indonesia's prolonged drought exacerbated the impact of the financial crisis in that country. Additionally, drought and a severe winter freeze in the area of the former Soviet Union combined with a difficult market transition in the agriculture sector and the near collapse of the Russian financial system in August 1998, required increased food assistance to Russia and several NIS countries.

Man-made disasters, such as civil strife and post-conflict repercussions, continued to place a burden on food security in many countries. Allied interventions in Kosovo and East Timor reaffirmed Western governments' support for both humanitarian action and support of human rights and democracy. Armed conflicts in Angola and Sierra Leone forced the temporary withdrawal of aid workers. Continuing conflicts have disrupted food production and distribution in Sudan, Democratic Republic of Congo, and Guinea-Bissau. Countries in Africa's Great Lakes region are still struggling to resettle and reintegrate refugees and internally displaced populations. The numbers and demands of **complex emergencies** requiring humanitarian assistance to refugees and displaced persons are growing.

Many Climatologists believe the world-wide epidemic of droughts, forest fires and floods that accompanied the phenomena of El Niño and La Niña will intensify and become more frequent as climatic change takes hold.

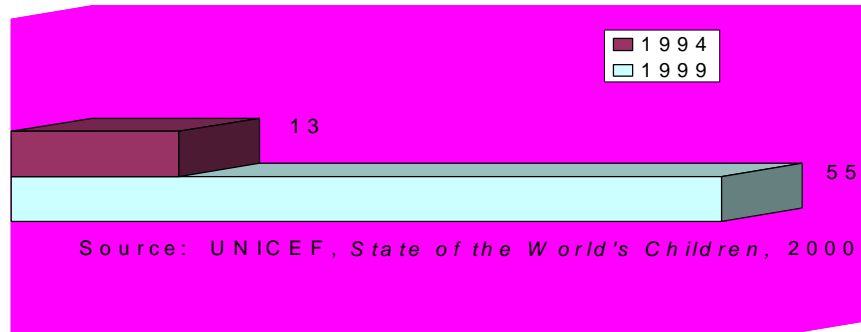
Source: *World Disaster Report 1999*

International Federation of Red Cross and Red Crescent Societies.

In 1996, 10 cents of every dollar went to emergencies—when at the same time, official development assistance had decreased 15 percent from 1991.

Source: *Complex Humanitarian Emergencies and USAID's Humanitarian Response: Synthesis of Findings*, CDIE, September 1999

Increase in Number of Complex Emergencies



The World Food Program (WFP) used over 70 percent of its food aid resources for emergency relief and protracted feeding of refugees and other displaced persons in FY 1999. By contrast, in the 1980s, two-thirds of WFP resources went to development efforts. WFP estimated that total food aid requirements through the end of 1998 and into 1999, driven largely by emergencies, had gone up by almost 55 percent compared to the same period last year.

Trends in Humanitarian Food Emergencies Due to Man-Made and Natural Disasters



The recent spike in natural disasters greatly increased needs for emergency food assistance. Historically, man-made crises have demanded more aid; however, both types of emergencies are trending upwards.

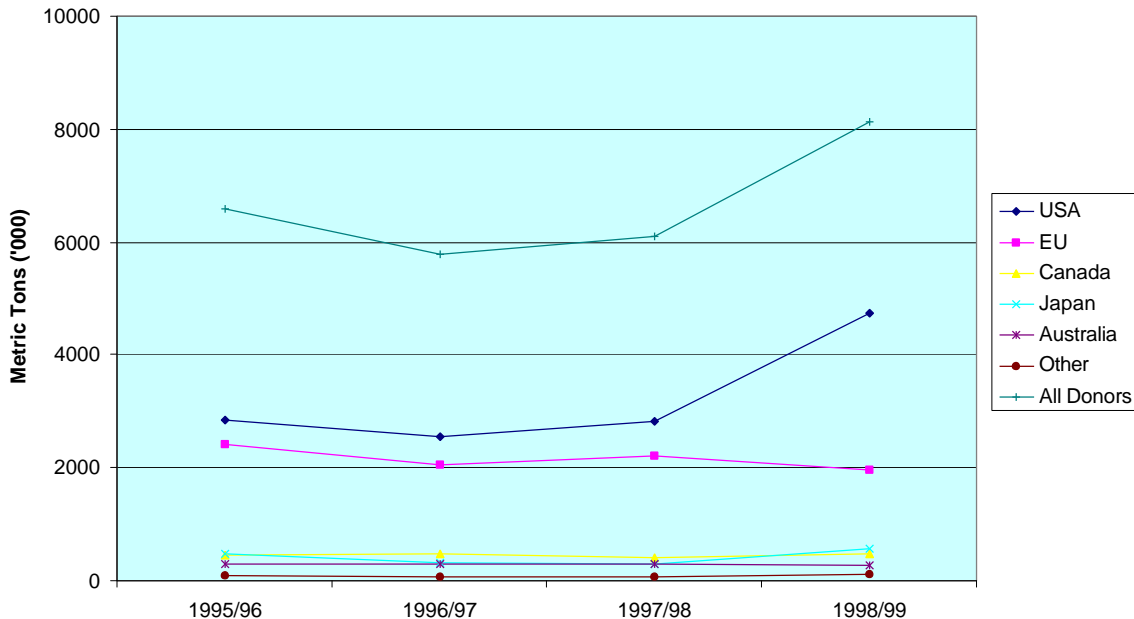
AVAILABILITY OF FOOD AID

The Food Aid Convention (FAC) is the legal instrument for ensuring a minimum flow of cereals as food aid. A recent renegotiation of the treaty, issued for signature in July 1999 has improved its structure and commitment levels to make it a more effective mechanism for managing global food aid flows. Reforms included:

- Permitting contributions to be expressed in terms of monetary value as well as quantity;
- Permitting transport and other operational costs to be counted towards a member's minimum annual contribution;
- Broadening the list of products eligible for consideration as donated food aid;
- Limits on the use of concessional food assistance loans.

Global food assistance contributions showed a significant increase for 1998/99. Low international grain prices and abundant supplies in both the U.S. and Europe were in part responsible for increased contributions from the U.S. and the European Union.

**Food Aid Contribution to Developing Countries¹ by Major Donors
Trends 1995/96 - 1998/99**

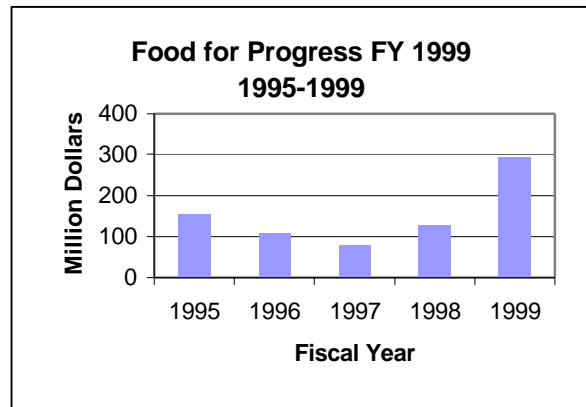
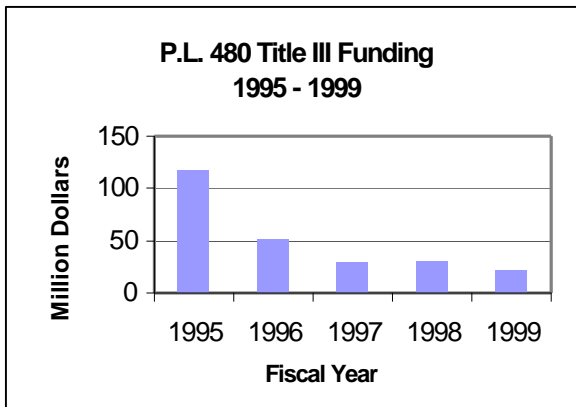
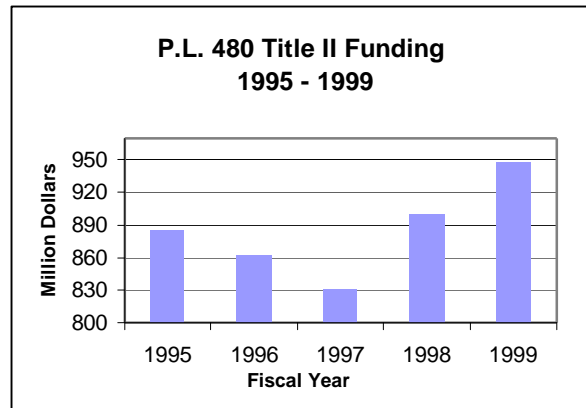
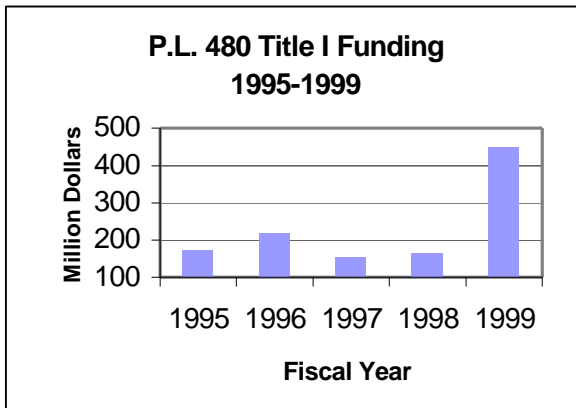


¹ As Defined by OECD. Does not Include Georgia, Russia or Ukraine.

Source: International Grains Council/FAC Secretariat

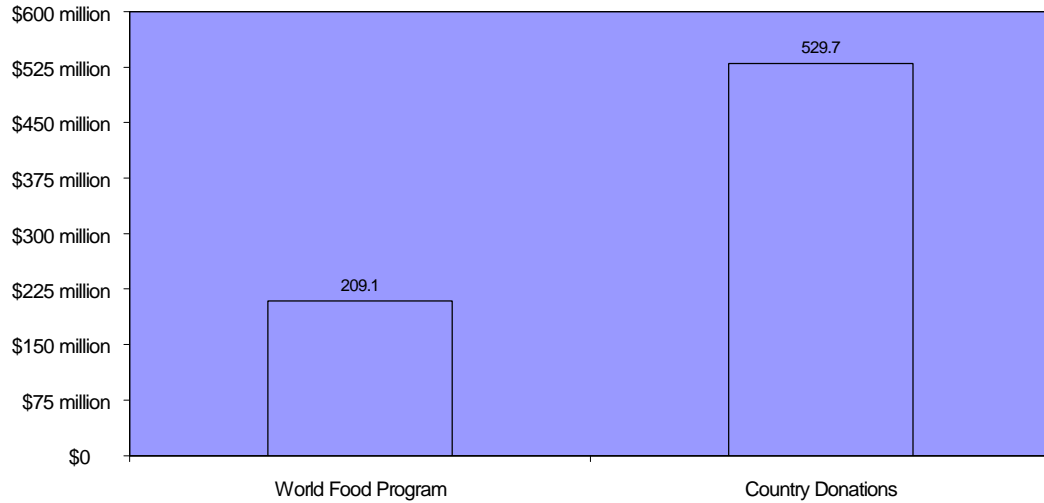
U.S. domestic agricultural policy, embodied in the 1996 Farm Bill, seeks to reduce farming on highly erodible land, place some land in conservation reserves, and stabilize agricultural supplies to avoid 'boom and bust' cycles. However, an unusually large U.S. grain crop, particularly wheat, filled silos and sent prices plummeting in 1999. This and increased demand for aid abroad, including the Russian Assistance Package, led to the largest increase in U.S. international food assistance in a decade. The United States continued to be the largest donor to the World Food Program. Worldwide, for all programs, the U.S. contributed nearly 10 million metric tons of food aid to 82 countries.

The increase in U.S. international food assistance in FY 1999 is reflected in higher funding levels for P.L. 480 Title II programs, due in large measure to the passage of the Kosovo Supplemental Appropriation Act. Funding for P.L. 480 Title I also increased over FY 1998 levels. The trend of reduced funding for Title III programs, bilateral grant/donations to governments linked to policy reforms, also continued in FY 1999. It is noted that Title III assistance levels have declined from a high of over \$300 million in 1993 to \$21.7 million for programs this year.



The President's Food Initiative, providing Section 416(b) surplus commodities to countries in need, dramatically increased volumes of food supplies flowing through Food for Progress (FFPr). FFPr is limited by a maximum of 500,000 metric tons and transportation costs rather than by dollar value of commodities ; it reached maximum tonnages in FY 1999.

Section 416(b) Donations to World Food Program (WFP) and 45 Countries



Note: Since there were no surpluses in recent years, there is no trend line for Section 416(b) donations. The total value of Section 416(b) program donations for FY1999 was \$738.8 million. (See Appendix 7 for a complete listing by country.)

II. THE RESPONSE: TARGETING AID FOR GREATER FOOD SECURITY

"The arrival [during 1999] of the six billionth human being on this earth is a moment of utmost significance, a moment that is not only symbolic but has tangible meaning for us all. That child's arrival, so close to the dawn of the new millennium, makes this a time for reflection. A time to look ahead to the challenges we face if all the people on this planet are to lead the decent lives that human beings have a right to expect."

USAID Administrator, J. Brady Anderson

Global food security is of interest to the United States not only for humanitarian reasons, but because of its implications for both political stability and economic prosperity. While the U.S. continues to provide humanitarian assistance to countries in need of emergency food aid, it also works to promote long-term food security by targeting development assistance that address the root causes in chronically food insecure nations.

The history of U.S. development assistance shows that countries that improve their food security and their economies often become major trading partners for U.S. goods. Such countries also tend to be more stable and more democratic.

A. *From the World Food Summit to a U.S. Action Plan*

The 1996 World Summit focused the world's attention on chronic problems of hunger and malnutrition. The United States, along with 185 other countries pledged to reduce the number of food insecure people by half—from over 800 million today, to no more than 400 million—by the year 2015.

The Summit recognized that food security incorporates not only the traditional idea of ensuring adequate food *availability*, but also the need for social and economic conditions which enable families to gain *access* to food, either by producing food themselves or earning income to buy food. Finally, food security assumes the effective and efficient *utilization* of food. Efforts to promote long-term food security, therefore, will include a wide array of measures aimed broadly at eradicating poverty, increasing production, improving health and nutrition, and empowering women as both food producers and caregivers. International food assistance has a role both as a means for carrying out the development associated with this agenda and as a resource to promote the creation of adequate safety nets during the transition to food self-sufficiency.

THE 1996 WORLD FOOD
SUMMIT ENCOURAGED FOOD
ASSISTANCE
DONORS TO:

- Sharpen the focus of food aid on the most chronically food - insecure countries and regions;
- Provide an appropriate volume of food aid on the basis of need;
- Establish incentives to encourage the best use of food aid; and
- Strive to ensure that food aid reaches those with the most responsibility for household food security—especially women.

THE U.S. ACTION PLAN ON FOOD SECURITY

In endorsing the World Food Summit's Plan of Action in November 1996, the U.S. reaffirmed its commitment to improve food aid programs for response to emergencies and to help chronically hungry populations achieve long-term food security. Immediately following the World Food Summit, the U.S. government created an Inter-agency Working Group on Food Security and a Food Security Advisory Committee, with 30 representatives from civil society including industry, NGOs, and academia. The result of their work, the "U.S. Action Plan on Food Security: Solutions to Hunger" was released in March, 1999.

The U.S. Action Plan on Food Security's International Dimension related to food security safety nets sets three priority areas involving food aid:

- Targeting a greater portion of food aid to the most needy in chronically food-insecure countries;
- Developing and incorporating gender-sensitive analysis and policies into food aid programs; and
- Improving the efficiency and effectiveness of food aid programs.

The Action Plan is a long-term blueprint on how the U.S. will contribute to the goals set forth at the World Food Summit. It outlines policies and actions aimed at alleviating hunger at home and abroad. Issues covered include: Trade and Investment; Research and Education; Sustainable Food Systems and the Environment; Food Security Safety Nets; Information Mapping of Food Insecurity; and Food and Water Safety.

The section on food security safety nets sees international food assistance as a flexible resource that can both mitigate short-term hunger and promote the development that can lead to longer-term food security. In order to maximize the effectiveness and efficiency of U.S. international food assistance programs in promoting global food security, the Action Plan puts priority focus on the most food insecure countries. Priority will also be given to recipient countries with policies that promote market economy, gender equality and food security. The Plan seeks to strengthen coordination, especially at the country and regional levels on the qualitative aspects of food aid. In trade negotiations, the United States will work with countries to achieve freer trade and to assure that its benefits, especially lowering food prices and raising incomes, are equitably realized.

Results of a separate USAID study, "Meeting the World Food Summit," is included in Appendix A of the U.S. Action Plan. It proposes a model of costs and interventions needed to achieve the World Food Summit goal of halving world hunger by 2015.

THE REGIONAL COST OF REDUCING UNDERNUTRITION (US\$ /PERSON)

Intervention	E/SE Asia	South Asia	SS Africa
Rural Roads	390	1162	249
Agriculture Research	262	75	312
Safe Water	586	236	1021
Targeted Income-Increasing Assistance	571	347	961
Women's Education	114	49	130
Totals:	1923	1869	2673

Source: U.S. Action Plan on Food Security: Solutions to Hunger/USDA, 1999

B. U.S. International Food Assistance Programs

The U.S. government's food assistance in promoting food security flows from programs authorized by three major laws: Public Law 480 (the Agricultural Trade Development and Assistance Act of 1954), Section 416(b) of the Agricultural Act of 1949, and the Food for Progress Act of 1985. All of these programs were re-authorized by the 1996 Federal Agriculture Improvement and Reform (FAIR) Act, more commonly known as the 1996 Farm Bill.

PUBLIC LAW 480

The Agricultural Trade Development and Assistance Act of 1954, P.L. 480, is the principal instrument for U.S. international food assistance. Food for Peace is the common name for P.L. 480 which has three food aid titles. Each title has different objectives and provides commodity assistance to countries at different levels of economic development.

U.S. International Food Assistance Programs:

- 1) P.L. 480
 - Title I
 - Title II
 - Emergency Development
 - Title III
 - Gov't.-to Gov't.-Grants
 - Title V
 - Farmer-to-Farmer
- 2) Section 416 (b) of the Agricultural Act of 1949
- 3) Food For Progress

P.L. 480 TITLE I: TRADE AND DEVELOPMENT ASSISTANCE

The Title I program is administered by the **U.S. Department of Agriculture (USDA)**. Under Title I, developing country governments (or in some cases private entities) buy U.S. agricultural commodities on concessional credit terms, usually long-term low-interest loans. The U.S. government negotiates agreements with the recipient governments/entities for payment in dollars. Repayment terms vary depending on the country's financial situation, but may provide credit terms up to 30 years, with a grace period on payment of the principal of up to five years and interest rates ranging from 2 percent to 4 percent. The agreements also stipulate development objectives and activities the recipient country will undertake.

Authority to sign agreements with private entities, not necessarily U.S.-based, is relatively new. The 1996 Farm Bill allowed this flexibility to facilitate collaboration with international organizations, such as the World Bank in supporting private sector development in targeted countries. This year such private entity agreements, valued at \$12.3 million, were signed with two organizations in Indonesia.

Under Title I, commodities, primarily bulk corn, wheat, soybeans and rice are purchased in the U.S. market and distributed or sold by the developing country government in its local markets. The local currency sale proceeds are used to support development objectives stated in the agreement.

Countries with FY 1999 Title I Agreements:

Africa
Cote d'Ivoire

Asia and Middle East
Indonesia
Pakistan
Philippines

Latin Am./ Caribbean
Ecuador
El Salvador
Guatemala
Guyana
Jamaica

Europe/ Newly Independent States
Georgia
Russia
Uzbekistan

In FY 1999, the U.S. had Title I agreements with 12 countries for purchase of almost 2 million metric tons of U.S. food commodities valued at more than \$420 million. Russia's agreements accounted for \$286.6 million, 68 percent of FY 1999 Title I funded sales. (See Appendix 3 for a breakdown of all Title I country recipients, commodities, and volumes.)

A portion of Title I funds may be shifted to the USDA-administered Food for Progress (FFPr) programs, described more fully below. This year, Russia received an additional \$220 million in funding through Title I/FFPr.

P.L. 480 Title II: Emergency and Development Assistance Programs

U.S. Agency for International Development goals:

GOAL 1: Broad-based Economic Growth and Agricultural Development

GOAL 2: Governance and Democracy;

GOAL 3: Education and Training;

GOAL 4: Population and Health;

GOAL 5: Environment;

GOAL 6: Lives Saved, Suffering Reduced and Development Potential Restored;

GOAL 7: USAID -- A Premier Development Agency.

Traditionally, the bulk of U.S. International Food Aid flows through targeted relief operations and development projects under Title II, administered by the U.S. Agency for International Development (USAID). Implementation of emergency and development (non-emergency) food assistance activities supports broader USAID goals. Emergency relief activities during and after man-made and natural disasters directly support the Agency's goal of saving lives and reducing suffering.

Title II-funded development programs promote broad-based economic growth and agricultural improvements that are critical to long-term food security, along with health protection and population stabilization to ensure sustainable development. Food for education, agricultural extension and other components of development activities support education and training with a targeted emphasis on opportunities for women and girls.

Title II development activities closely adhere to a number of regulations: environmental, ensuring any projects minimize erosion, water or air pollution; and a periodic economic analysis to ensure that food aid does not undermine host-country agricultural production and markets.

USAID's Food for Peace Office within the Bureau for Humanitarian Assistance (USAID/BHR/FFP) has undertaken several initiatives, particularly with their cooperating partners, for streamlining procedures and for improving the management and monitoring of food assistance programs.

Title II projects in recipient countries are implemented by a variety of cooperating sponsors (CSs) who specialize in humanitarian relief and development assistance. These include private voluntary organizations

Complex emergencies are characterized by:

Refugees and/or internally displaced people;

Disruption to traditional food supply networks;

Fragile or failing economic, political and social institutions;

Environmental degradation.

Source: USAID

(PVOs), non-governmental organizations (NGOs) and inter-national organizations (IOs). USAID's major implementing partner for delivering emergency food assistance is the United Nations' World Food Program (WFP); the U.S. is WFP's largest food aid donor.

The Title II budget is divided into emergency and development (non-emergency) activities. In recent years the increasing number of complex crises and natural disasters necessitating emergency relief has strained limited food assistance budgets. Yet, emergency and development activities are not mutually exclusive. USAID is placing increasing emphasis on linking emergency relief with development strategies for longer-term food security in crisis-prone regions. Thus, the Title II emergency portfolio includes development-oriented activities. Similarly, the development portfolio includes both rapid response capacity to natural disasters and non-emergency humanitarian aid that often provides a safety net for orphans, the elderly, the infirm and the disabled.

TITLE II: EMERGENCY ACTIVITIES

Both natural and man-made disasters most often require emergency food assistance. P.L. 480 Title II has traditionally been the major U.S. humanitarian response to such disasters. While the type of program undertaken varies depending on the scope, nature and duration of the emergency, activities are usually implemented in a shifting, unstable and sometimes dangerous environment.

An increasing number of "natural disasters" (floods in China, mudslides in Honduras and Venezuela) are being exacerbated by environmental pressures such as clear cutting of upstream forests and dense informal settlements constructed on hillsides or in flood plains. These tragedies are teaching important lessons for the future.

In FY 1998, the most recent year for which complete reports are available, USAID responded to more than 70 declared disasters, of which 51 were natural disasters, compared to 27 the previous year. Several major emergencies were related to the weather abnormalities of El Nino and the Southern Oscillation (ENSO). The economic impact of ENSO has been profound in the many developing countries of Africa, Asia and Latin America - that are heavily dependent on seasonal agricultural production.

"Natural disasters claimed more than 50,000 lives and resulted in economic losses exceeding \$90 billion during 1998. Natural disasters including floods... the widespread destruction caused by hurricanes... the fires that ravaged Indonesia, Brazil, and far eastern Russia - wreaked three times more havoc than in 1997"

Source: Humanitarian Assistance Goal Review (USAID, July 1999)

Despite the upturn in natural disasters, complex emergencies continue to receive the major share of the Title II emergency funding. These emergencies, most often stemming from civil unrest and armed conflict, may last much longer than those caused by natural disasters, sometimes for years. Often during complex emergencies, large numbers of people flee their homes becoming either international refugees or internally displaced persons.

**Linking Relief & Development:
Principles & Operating Guidelines**

1. Countries have primary responsibility for their transition from relief to development;
2. International partners are responsible for assuring the positive impact of their programs through effective strategic coordination upholding the Principles;
3. Relief programs reinforce development objectives;
4. Programs are designed to help prevent or mitigate disasters.

(Source: USAID)

Typically, emergency relief activities are either targeted to specific groups or to general feeding programs. Targeted feeding may be carried out through one or more of several possible components:

- Supplementary feeding • Therapeutic feeding
- Food-for-work • Food-for-agriculture

USAID emergency operations often combine components and change to address local needs and conditions. For example, a direct feeding program for refugees may evolve into a food-for-work or food-for-agriculture activity to increase the beneficiaries' self-reliance and ease the transition *from relief to recovery*.

Relief interventions are designed and refined as the emergency evolves so as to *minimize dependence on food aid*. Needs assessments help determine the correct level of aid and the best choices for activity components. Assessments may use beneficiaries' available coping mechanisms, poverty level, local market environment and/or nutritional status as indicators to determine food aid needs.

Targeting food aid ensures relief reaches the most vulnerable populations within the larger group effected by the emergency. Emergency activities most frequently target:

- Pregnant and lactating women;
- Children, especially those under five;
- Orphans or unaccompanied children;
- Elderly, infirm and handicapped;
- Those identified as malnourished.

Monitoring and needs assessments allow adjustment of targeting during program implementation. Supplemental feeding of targeted groups may be added as the relief strategy changes to reflect improving conditions and reduced need for general food distribution.

In Uganda: At camps for internally displaced persons (IDPs), a one-year World Vision project demonstrated that development approaches can be applied even in camp settings, using the right methods. The project found that ongoing training of farmers through a network of extension staff and contact farmers is more effective than “single short” training.

Training activities emphasized increased food production, improved access to markets and enhanced local capacities of farmers. This enabled IDPs to be more self-sufficient in food production and less reliant on relief support. The program also provided improved seeds and tools along with better farming technologies. Activities also included marketing of non-traditional cash crops and capacity building of farmers’ associations.

In the same region, at health units located near the IDP camps, Catholic Relief Services (CRS) continued providing supplementary feeding for moderately malnourished children under five and their mothers. Severe cases obtained protein-rich corn-soy blend in supplement to general rations.

In Bulgaria: The socio-economic crisis has severely affected the lives of the elderly who have little chance of gaining work to improve their self-sufficiency. One Title II partner, American Red Cross, is sharing information on the special needs of elderly pensioners and other extremely vulnerable individuals with Government, UNDP and other local partners. Provision of timely and comprehensive information has resulted in a change in government policy with elderly pensioners now receiving modest pension increases.

Source: *SOI: Results Review and Resource Request FY 2001*, BHR/FFP April, 1999

The **link between relief and development** was initially viewed as a continuum. Relief operations, in response to a humanitarian crises, would be followed by rehabilitation and then development programs. However, in long-lasting complex emergencies, the linkage between relief and development is not necessarily sequential. USAID is working with cooperating sponsors to understand the complexities in programming for such transitions.

Integration of direct feeding activities with other productive inputs is a very effective way of moving people from relief to recovery. General feeding rations provide the safety net to support displaced persons or refugees in the short-term after an emergency. Non-food inputs, such as training, tools and seeds, support the move from relief dependency to self-reliance. Food-for-work programs provide rehabilitation of rural infrastructure and local agricultural systems, while meeting people’s immediate food needs. As general rations are scaled back for the population at-large, targeted supplemental rations can continue providing aid for the most vulnerable groups.

LIBERIA: FOOD ASSISTANCE ON THE ROAD TO RECOVERY

Relative political stability in Liberia during 1998 allowed large numbers of Internally Displaced Persons (IDPs) and refugees to resettle in their hometowns and villages. The impact of the food distribution was twofold. Given the large number of returnees, the availability of the commodities succeeded in “bridging” the food security gap and served as an inducement for voluntary return of IDPs to their home communities. Shelters were emptied and refugee camps closed after March 1998.

The prolonged civil war left much of Liberia’s infrastructure in ruins. During nine months in 1998, a CRS “food-for-work” program provided food to 120,127 workers who rehabilitated an estimated 1,000 miles of feeder roads, 100 bridges, 10 schools, and 10 small infrastructures. CRS’s program supported regular staff attendance at 159 health and welfare institutions and 247 schools, as indicated by the attendance logs at each institution.

CRS also distributed food to 11,600 persons employed in medical institutions and schools. The food distribution succeeded in re-staffing health and welfare institutions to about 80 percent of their pre-war levels and improved the quality of services provided to vulnerable people.

Source: *SOI: Results Review and Resource Request FY 2001*, BHR/FFP April, 1999

TITLE II: DEVELOPMENT ACTIVITIES

The United States’ P.L. 480 Title II development food aid program (i.e., non-emergency food aid) constitutes the single largest source of USAID funding focused on food security programs. The USAID/BHR Office of Food for Peace administers Title II non-emergency programs — a \$400-million-dollar-plus development portfolio. This is a flexible resource that can be used in needy countries for direct feeding, or monetizing to generate local currency for development activities.

Percent of Title II Funding Supporting Key Food Aid Development Activities:

Health and Nutrition	41%
Agriculture	39%
Education	10%
Water and Sanitation	6%
Micro-Enterprise	4%

As set forth in the *Food Aid and Food Security Policy Paper* (USAID, 1995), priority is given to activities that improve household nutrition and agricultural productivity. Both activities, described in more detail below, are keys to developing long-term food security. Currently 80% of the commodities programmed through Title II development activities support these two priority areas. Other areas of focus include education, micro-enterprise development and humanitarian assistance.

Health and Nutrition activities directly support proven interventions for child survival and nutrition. These include promotion of breast-feeding, immunization against preventable childhood diseases, increasing micro-nutrient consumption, and antenatal care. Improving water quality and sanitation is also important to supporting human health.

In India: CARE implements the single largest Title II development program, running numerous projects targeting maternal and infant health, anemia, and better nutrition. The Integrated Health and Nutrition Project's (INHP) goal is to increase women's capacity to attain optimal health and nutrition for themselves and their children, especially girls. Through close collaboration with Government of India and other partners, the program – covering seven states, the largest geographic territory of all CARE projects – reaches 8.2 million women and children in 123,000 villages.

INHP's strategy emphasizes intersectoral coordination and collaboration with UNICEF, WFP, World Bank and others to complement resource flows and reduce duplication of efforts. CARE is also promoting active partnerships with community based organizations (CBOs), providing increased local capacity in nutrition and health programs. Recently the INHP created its first partnerships with corporate NGO's, linking CARE to Industrial Federations and Chambers of Commerce. CARE expects to benefit from expanded resources and technical inputs as well as spreading the ethic of "corporate social responsibility."

Source: *Partnership in Nutrition and Health Sector of CARE-India: A Review of Progress To-Date*, CARE-India, January, 1999

Agricultural food-assisted activities support increased productivity through technical assistance and training to small farmers and their families to promote sustainable farming practices, more productive and diversified farming systems and improved post-harvest management and marketing. This area also includes activities that improve natural resource management. *Food-for-work activities* are used to improve the physical resources available to a farming community. These activities mobilize the labor of the rural poor to construct small-scale irrigation and drainage systems and infrastructure for soil and water conservation.

In Bolivia: Project Concern International's (PCI) agricultural program is helping families increase farm income and achieve food security. PCI irrigation projects permit farmers to diversify into crops that have a higher value in the market. This was particularly helpful given the El Nino-induced drought which dropped average production in non-PCI project areas to only 2MT per family, or in some cases a complete loss of the harvest. By contrast, PCI participant farmers produced an average 4.7 MT during FY 1998. PCI farmers increased their net agricultural income (compared with 1996 baselines) because of their diverse/higher value crops.

In Ghana: TechnoServe (TNS) is working with small-scale farmers and food processors to improve agricultural productivity and increase rural incomes and employment. Through training and technical support services, TNS is teaching agricultural and business skills. In one year, using Title II monetization proceeds, TNS/Ghana assisted 78,350 direct beneficiaries, more than half of whom were women, through support of 222 community-based enterprises. Farmers invested approximately \$20,000 and leveraged an additional \$752,000 in credit. The result was generation of \$1.36 million in rural income via sales of local agricultural products and services.

Source: *SO2: Results Review and Resource Request FY 2001*, BHR/FFP, April, 1999

Education (Food-for-education [FFE]) activities integrate school feeding programs with other efforts to improve the quality of teaching (staff and curriculum) as well as school infrastructure. Since female education is a key marker of development, FFE activities also promote increased female school attendance. For example, in Burkina Faso CRS is giving a monthly take-home ration to girls who maintain at least an 85% attendance record, providing families an incentive to keep their daughters in school. Because childcare responsibilities often keeps older girls from attending school, the same program also offers day care and meals for younger siblings while the girls attend school. In Bolivia, Ghana, and Haiti, Title II FFE activities are targeted to the same schools where the governments are enacting large-scale school reforms funded by the World Bank.

Humanitarian relief, general assistance provided through the non-emergency food assistance programs, provides safety nets to especially vulnerable populations. Frequently, humanitarian relief is provided in conjunction with other assistance activities. In FY 1999 reports, eight countries had non-emergency humanitarian assistance components. This aid is generally provided through direct feeding programs and targets individuals unable to take advantage of development activities in their communities. Such beneficiaries include orphans, the elderly, patients in hospices and hospitals and HIV/AIDS victims/families.

Micro-enterprise undertakings, which constitute only a small percentage of the Title II development portfolio, often target women, expanding opportunities for productive activities which, in turn , increase incomes and thereby improve access to food. Such credit programs offer important lessons in business practices, group decision-making, and leadership, as women establish and run their own “village banks.”

THE WIN – WIN – WIN OF TITLE II DEVELOPMENT: BANGLADESH

In Bangladesh, CARE’s 5-year rural infrastructure development project is providing jobs to landless workers on rural roads, flood protection, tree planting and slope protection projects which will help mitigate against future flood disasters. The CARE project is primarily funded by annual sales of 120,000 metric tons of P.L. 480 wheat to the GOB. The wheat itself is then used by the government in its own school feeding programs for needy children. The multiple winners in this effort are: the rural poor getting jobs and income; the children getting nourishment; the residents of rural areas getting improved infrastructure; and, American wheat farmers finding markets.

OTHER TITLE II ACTIVITIES

Section 202(e) and Institutional Strengthening Assistance (ISA) Grants

USAID administers Section 202(e) of P.L. 480 and the Institutional Strengthening Assistance (ISA) grants for its cooperating sponsors (CSs). Given the key role of these partners in food aid programs, strengthening their capacities is an investment in improved management. These grants have led to significant improvements in Title II program design and implementation, as well as better impact monitoring and generation of quality results reviews.

Section 202(e) funds are used primarily to support in-country administrative and managerial capacity to manage food assistance programs. In FY 1999, total Section 202(e) funds programmed amounted to \$28 million. Funds have been used to develop computer-based information systems to improve food delivery logistics, commodity tracking and impact assessment. Funds have also covered expenses associated with better identification of food-insecure populations, as well as regular monitoring of program impacts and conducting environmental evaluations.

Institutional Strengthening Assistance (ISA) grants have been instrumental in building the capacity of CS headquarters' staffs to provide better accountability and oversight for their diverse multi-year food assistance activities. In FY 1999, ISA grants totaled \$5 million.

ISA Grants Have Led to Cooperating Sponsor Improvements in:

Design of technically-sound food aid activities;

Transfer of technical and management skills and expertise to in-country program staff;

Definition of impact indicators and establishment of impact monitoring and evaluation systems;

More accurate Bellmon Determinations (Analyses of impact of food aid on domestic production and markets);

Improvement of programming efficiency and consistency among USAID cooperating sponsors;

Participation in strategic planning efforts with BHR/FFP, USAID Missions and other donors; and

Development of conceptual ("best practices") models for guiding food aid activities.

The Farmer-to-Farmer Initiative,

authorized under Title V of P.L. 480, was established in 1986 and was re-authorized by the 1996 Farm Bill. The USAID/Bureau for Humanitarian Response/Office of Private and Voluntary Cooperation (BHR/PVC) manages the program.

This program is not a direct food aid program; rather, it provides short-term technical assistance through American volunteer farmers. The goal is to improve production, marketing and distribution of agricultural commodities in developing countries.

In 1991, USAID in consultation with the Inter-agency P.L. 480 Coordinating Committee, adopted a special initiative to bring the Farmer-to-Farmer (FTF) program to the Newly Independent States (NIS) of the former Soviet Union. This program will continue through September, 2003.

The FTF volunteer assignments continue to shift in emphasis from assistance to individual farmers, government organizations and agricultural education institutions to support for farmers' cooperatives and associations, agribusinesses and agricultural credit and financial institutions that provide a sound, private-sector base for farm operations.

This year, volunteers undertook 710 assignments in 31 food insecure countries. In 11 Independent States of the former Soviet Union, 442 assignments were completed. In 20 other targeted countries in Asia, Africa, and Central and South America, volunteers completed an additional 268 assignments. Total P.L. 480 funding for the FTF program in FY 1999 was \$10.87 million.

NIS Farmer-to-Farmer Assignments – FY 99

Armenia	20
Azerbaijan	20
Belarus	16
Georgia	13
Kazakhstan	40
Kyrgyz Republic	39
Moldova	13
Russia	168
Turkmenistan	21
Ukraine	69
Uzbekistan	23
Total	442

World-Wide (Non-NIS target countries) Farmer-to-Farmer Assignments – FY 1999

Bangladesh	8
Bolivia	43
Ecuador	10
El Salvador	12
Ethiopia	7
Ghana	4
Guatemala	8
Guyana	10
Haiti	7
Honduras	12
India	25
Jamaica	15
Mexico	19
Mongolia	7
Mozambique	4
Nepal	22
Nicaragua	11
Philippines	17
Uganda	11
Zimbabwe	16
Total	268

FY 1999 COUNTRY HIGHLIGHTS – FARMER-TO-FARMER

Turkmenistan: FTF helped an entrepreneur start a mushroom business. In a six-month period after starting his own business, he earned \$5,000 – almost ten times his previous income, producing both mushrooms and mushroom spawn. He expanded his business, added a new variety of mushroom, and hired three family members to work with him. He is now teaching eleven satellite growers how to grow, package and market high quality mushrooms. The long-term goal is to form an association of mushroom producers.

Georgia: The FTF program is helping establish a system of agricultural credit cooperatives. An independent foundation has been established to administer the credit program. FTF volunteers have provided assistance to this foundation and in organizing private farmers to form credit cooperatives. In 1997, 16 loans were made by one credit cooperative, and they achieved a 96 percent repayment rate. In 1998, three credit cooperatives made 56 loans totaling \$350,000. The pilot program with FTF assistance is well tested, and in 1999, the USAID mission provided additional loan capital, expanding the program to seven credit cooperatives.

Armenia: The FTF program grantee assisted in the registration of VISTAA/ Armenia (Volunteers in Service to Armenian Agriculture) as a local NGO to utilize the services of underemployed agricultural professionals. Initially, the VISTAA volunteers were given field training. In 1999, VISTAA volunteers carried out 40 technical assistance projects. VISTAA now operates at more than 50 percent cost recovery from assignments funded by international agencies and expects to be self-supporting in about two years.

Mexico: Land O'Lakes is working with producers from the local Indian communities in Chiapas, Tabasco and Oaxaca. Land O'Lakes collaborates with the International Indian Treaty Council to field Native American volunteers who carry out technical assistance assignments. Three major ongoing projects are: organic brown rice production, cacao processing and building a coffee roaster. Losses in rice production and processing were reduced from over 30% to 10%. New methods also improved rice quality, increasing Chiapas farmers' prices by 275%. They now have an incentive to meet market demand and are planting 12 times more area than last season.

Mongolia: The FTF, working with ACDI/VOCA, has leveraged significant resources to improve veterinary assistance to an animal husbandry/breeding project and to obtain U.S.-manufactured tilling equipment for a model grain production project. Two grants for veterinary assistance and cashmere breeding improvement worth \$330,000 and \$70,000, respectively, were obtained from the Mongolian Ministry of Agriculture.

P.L. 480 Title III: Food for Development

USAID's Title III provides government-to-government grants for support of long-term economic development in the least developed countries in ways that help address food and nutrition problems. Title III has been an effective instrument in assisting countries to implement difficult policy choices necessary to promote long-term food and nutritional improvements worldwide. In Haiti, Bangladesh, Ethiopia, Eritrea, Mozambique, Nicaragua and many other past recipient countries, Title III has enabled USAID to play a critical role in helping governments privatize food and fertilizer markets, attract poor children into school, and better address chronic food shortfalls.

Funding priority for P.L. 480 Title III is accorded to:

- Countries most in need of food;
- Countries in which Title III programs form part of a strategy to establish/enhance long-term food security;
- Programs with direct links to increased agricultural production and local consumption.

Title III supports policy reforms, such as:

- Changing price policies that are unfavorable to producers or discourage productivity;
- Ending export and import policies that hinder investment in agricultural enterprises; and
- Generating investments in rural infrastructure, which supports economic growth.

Donated Title III commodities are normally sold on the domestic market of the recipient country, although in some cases they are put into national food security reserves for use in emergencies. Under this program, sales of commodities generally generate local currency that is used to advance food security objectives. This may include infrastructure development, support for rural credit cooperatives, agricultural production and marketing improvement programs, or other economic development activities.

In FY 1999, 116,400 metric tons of wheat flour and wheat worth \$21.7 million were distributed through Title III to strengthen food security in Ethiopia, Haiti, and Mozambique. This is a decrease of 27 percent from FY 1998 funding levels.

COUNTRY CASES – TITLE III FOCUS ON FOOD SECURITY

In Ethiopia: Ethiopia ranks as a most food insecure country. In a three-year program totaling \$44.9 million, Ethiopia received assistance to deal with drought and crop shortages. The government has also used wheat shipments for relief feeding. During the first two years of the project, Ethiopia took significant measures to liberalize markets for agricultural inputs and stimulate greater private sector involvement. Numerous rural roads have been constructed or repaired, and numerous local tolls and tariffs, which had impeded rural market development, have been removed.

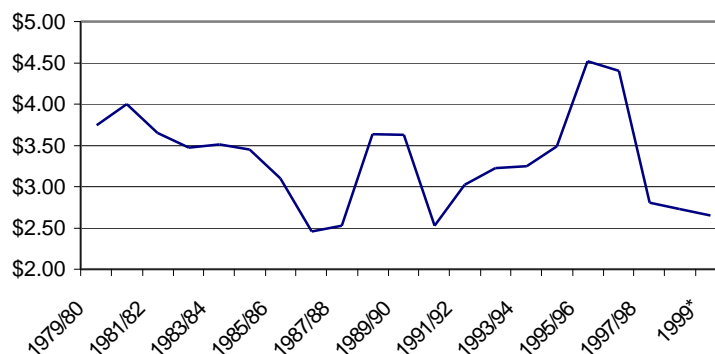
In Haiti: Significant damage caused by Hurricane Georges in 1998, has only added to the plight of this nation plagued by economic stagnation and a slow recovery from political change. In FY 1999, a significant quantity of bulk wheat was sold to the recently privatized flour mill. The government of Haiti uses Title III proceeds to build and refurbish rural roads, both increasing market access from rural areas and stimulating economic activity in secondary town and cities.

In Mozambique: Decades of war have left Mozambique ranked as a most food insecure country. While the country is endowed with vast arable land, agricultural development progress to date has been hampered by the lack of infrastructure, education skills and capital. Mozambique's policy reforms include liberalizing agricultural prices, curtailing state monopoly of cereal procurements, privatizing transportation, improving land title security and constructing and repairing roads.

SECTION 416(b): THE BIG FOOD AID STORY IN FY 1999

The Agricultural Act of 1949 authorizes the donation of surplus food and feed grain owned by the USDA Commodity Credit Corporation (CCC). Surplus food assistance distributed domestically is authorized by Section 416(a) of the Act; surpluses shipped overseas are covered under Section 416(b). In the 1990s, CCC stocks and 416(b) transfers had declined sharply. In 1998 a confluence of events dramatically changed this picture. The U.S. received a huge number of emergency food assistance requests due to severe weather conditions worldwide (e.g., floods in Bangladesh, drought in Indonesia) coupled with acute financial crisis in many developing countries. At the same time, world wheat prices had declined to record low levels.

Historic U.S. Wheat Prices (per bushel)



* 1999 — Wheat \$2.58/bushel (preliminary estimated average price)
Source: USDA Agricultural Statistics Board

Note: US Futures prices for wheat are at a 22-year low.

In July 1998, President Clinton called on USDA with their authority under the CCC Charter Act of 1948 to purchase wheat for international humanitarian assistance distribution under Section 416(b). Negotiations begun in FY 1998 continued into FY 1999. By year's end, 5.5 million metric tons commodities were moved under of Section 416(b) agreements.

SECTION 416 (b) FOOD AID INITIATIVE

“Let me just say that for those of us in the humanitarian relief and emergency food business, this has been one of the worst years on record. We’ve had the El Nino drought; we’ve had a larger number of conflicts than usual; we’ve had the Asian financial crisis that has caused, in the case of Indonesia, the economy to virtually collapse. As we reach the end of the fiscal year here, most of our Title II resources that we use for emergency food have been depleted.”

(Then) USAID Administrator, J. Brian Atwood*

“Starting next week, USDA will begin buying wheat for foreign food donations, opening new export channels for American farmers...[to] countries that currently cannot make commercial purchases from the U.S.”

USDA Secretary, Dan Glickman*

The effects of the President’s decision was primarily felt in Fiscal Year 1999 when commodities including wheat, wheat flour, corn meal, corn, bulgur, and non-fat dry milk left the U.S. By the end of FY 1999, 46 countries had benefited from Section 416(b) program—either through direct donations arranged with the U.S. Government or from stocks supplied to the World Food Program. In total, 5.5 million metric tons valued at almost \$739 million was provided in FY 1999.

*Both men speaking at the announcement of the President’s decision to provide surplus U.S. commodities for foreign food assistance under Section 416(b), July 18, 1998

**CCC-funded Food
For Progress**
(23 countries)

Armenia
Azerbaijan
Bosnia-Herzegovina
El Salvador
Equatorial Guinea
Georgia
Guatemala *
Haiti
Honduras
Indonesia
Ivory Coast
Kazakhstan **
Kyrgyzstan
Moldova
Nicaragua
Russia
South Africa
Swaziland
Tajikistan
Togo
Turkmenistan **
Uzbekistan **
Zimbabwe

* Funded as part of a
Central American
program

** Part of a jointly-funded
program

**Title I-funded Food
For Progress**
(4 countries)

Bosnia-Herzegovina
Honduras
Nicaragua
Russia

FOOD FOR PROGRESS

The **USDA**-administered Food for Progress program, authorized under the Food for Progress Act of 1985, assists developing countries, and particularly emerging democracies “that have made commitments to introduce or expand free enterprise elements in their agricultural economics through changes in commodity pricing, marketing, input availability, distribution, and private sector involvement.” Food for Progress agreements can be signed with governments or with private voluntary organizations, non-profit agriculture organizations, cooperatives, intergovernmental organizations or other private entities.

Food for Progress is supported through one of three mechanisms, via transfer of Title I funds or via Commodity Credit Corporation (CCC) funds, or through the use of Section 416(b) commodities in CCC inventories. The program is authorized through FY 2002 at an annual level of 500,000 metric tons of food commodities and up to \$30 million in CCC-funds for transport and \$10 million for administrative costs. Appropriations for FY 1999 raised the transportation cap to \$35 million and the cap for the payment of administrative costs to \$12 million.

In FY 1999, some 409,940 metric tons of commodities valued at over \$295 million were programmed through Food for Progress to support private enterprise development and food security activities in 24 countries. Initially focused on the former Soviet Union, USDA’s geographic scope for FFPr now reaches to food-insecure countries in Africa, Asia, Central Europe, and Latin America. In response to hurricane disaster, USDA donated corn, beans, soybean meal and other products value at \$13.5 million under FFPr. USDA initiated new programs in Sub-Saharan Africa in FY 1999, in Swaziland, Togo and Zimbabwe.

FY 1999 COUNTRY HIGHLIGHTS—FOOD FOR PROGRESS

South Africa – USDA’s agreement with Africare, now in its second year, uses sales proceeds from approximately 3,000 metric tons of sunflower seed oil to continue strengthening the rural economy in the Nebo District in South Africa’s Northern Province and Msinga District in Kwa Zulu, Natal.

Zimbabwe - The Citizens Network for Foreign Affairs (CNFA), is monetizing 2,500 metric tons of soybean oil. CNFA is using the proceeds to fund an 18-month program improving Zimbabwean small-scale farmers’ access to inputs,

services and markets. The program has three main elements: training village level retailers to improve their business management skills; expanding village level retailers' access to credit by backing short-term loans through a guarantee fund; and supporting the development of an input distribution infrastructure by offering matching grants for investments in wholesaling in target areas.

Swaziland -- A Food for Progress agreement, signed with World Vision, will monetize approximately 10,000 metric tons of wheat. The goal of the Swaziland Water Project for Drought Mitigation (SWP) two-year program is to improve the health, income and household resources for people in 20 low-income communities in the Lowveld area of Swaziland through dam and garden construction and marketing of produce.

Togo -- The agreement with Opportunities Industrialization Centers International (OICI) was signed, providing approximately 8,000 metric tons of rice for monetization. The proceeds are being used in four initiatives: training of village-level extension agents, upgrading farmer cooperatives into procurement and marketing cooperatives, developing savings and credit federations, and training seminars for government extension agents and others.

Cote d'Ivoire -- The agreement with Winrock International provides approximately 15,000 metric tons of rice. Winrock is addressing natural resource and environmental issues, advancing the leadership role of women in agriculture, and expanding regional training capabilities and resources for women and small farmers.

Equatorial Guinea -- A total of 1,040 metric tons of rice, pinto beans, vegetable oil and wheat flour is provided to the International Partnership for Human Development (IPHD). Some of the vegetable oil and wheat flour will be monetized. IPHD is using the proceeds to: provide grants and loans for income generating activities; expanding training and farm model capabilities at one Agricultural School; and establishing a chicken raising project and increasing fishing activities. A direct feeding program is distributing the remaining commodities to poorer segments of the population, primarily women and children who are hospitalized.

Planting Seeds for Tajikistan and Russia -- For the first time, **planting seeds** went to countries in need under food assistance programs, specifically, 2,000 tons of wheat seed to Tajikistan and 15,000 tons of corn and vegetable seeds to Russia.

Russia -- 26,500 tons of crude sunflower oil were provided to the USA Poultry and Egg Export Council to fund an integrated broiler project in Russia. The \$10 million of monetization proceeds generated provide funding for the start-up of a modern poultry production enterprise and fulfill a key commitment of the U.S.-Russia bilateral commission.

C. *PARTNERS FOR GLOBAL FOOD SECURITY*

The U.S. Government works in close partnership with numerous bilateral, international, regional and sub-regional organizations on food assistance-related issues. A coordinated approach is seen as the most effective way to support national food security efforts.

United States-European Union Cooperation

In 1995, US and senior European Commission officials established a coordinating body for food security efforts. The Permanent Mechanism for Consultation and Coordination on development cooperation and humanitarian assistance (PMCC) was formed under the umbrella of the Trans-Atlantic Initiative. High-level annual meetings to assess progress are held either in Brussels or Washington, D.C.

U.S.-EU Food Security Cooperation has identified seven countries where there is mutual interest to promote the formulation of national food security strategies:

Bangladesh
Bolivia
Kyrgystan
Ethiopia
Haiti
Malawi
Mozambique

Regional Food Aid Codes of Conduct—Horn of Africa

USAID collaborated on development of a draft **Code of Conduct for Food Aid in the context of Food Security for IGAD**, the Inter-Governmental Authority on Development. This sub-regional organization is comprised of the seven most drought-prone countries of the Greater Horn of Africa Region. The draft IGAD Code of Conduct for Food Security incorporates best practices on relief to development linkage, conflict resolution, gender perspective and other development components. Among other principles, the Code recognizes:

The Seven Country members of IGAD:

Djibouti
Eritrea
Ethiopia
Kenya
Somalia
Sudan
Uganda

- The importance of food aid as one resource to address hunger and disease due to food shortages;
- Long-term food security efforts and their role in mitigating emergencies;
- Food aid as a flexible resource needing careful programming to prevent interference with long-term food self-reliance; and
- Full integration of food aid with complementary investments, regional trade policies and other resources.

Regional Approach to Food Security: African Initiatives

President Clinton launched the **Greater Horn of Africa Initiative (GHAI)** in 1994 to better link relief and development strategies in the region. The guiding assumption in the Initiative is that by enhancing regional food security and by strengthening African capacity to prevent, mitigate, and respond to crisis, drought and other natural disasters need not lead to famine in the region. Unfortunately, continued civil unrest in

the region during the last several years put additional strain on the region's fragile, but developing, coping mechanisms.

Nearly 20% of the increased FY 1999 Title II budget supported emergency and non-emergency (development) activities in the Greater Horn of Africa region, most notably in Ethiopia, Kenya, Rwanda, Sudan and Uganda.

The USAID African Food Security Initiative and the recently passed **Africa: Seeds of Hope Act** support a broad commitment to boosting rural agricultural production in order to improve nutritional status and increase rural incomes. Approximately \$45 million supports bilateral and regional programs expanding food security activities in three critical areas:

- increasing agricultural production,
- improving market efficiency and market access, and
- increasing agricultural trade and investment.

The new **Africa: Seeds of Hope Act** requires USAID and USDA to work with African partners in developing plans for using micro-credit finance strategies, agricultural research and agricultural extension, and other mechanisms to reduce rural poverty in Africa. The Act seeks to prioritize economic development for small-scale farmers and struggling rural communities. It encourages the Overseas Private Investment Corporation (OPIC) to seek development funding from U.S. corporations investing abroad, to businesses, PVOs and NGOs that work directly with African rural populations. The Act recognizes the role of African women in small-scale agriculture, and asks USAID to put greater emphasis on entrepreneurial opportunities for women in development programming.

Already the number of small-scale farmers in Uganda benefiting from income-enhancing USAID support has tripled (to 250,00 farmers) with additional resources provided by AFSI. U.S. cooperative development organizations are assisting new farmer organizations - with support almost doubling (to \$41 million) since 1995. USAID has reviewed its definition of 'microenterprise' - to assure applicability to African farmers and rural poor. USAID-funded microenterprise programs in Africa have expanded from \$17 million in 1995 to \$38 million in 1999.

Tackling hunger today is a prerequisite for sustainable development tomorrow.

Ending the Inheritance of Hunger: Food Aid for Human Growth, World Food Program 1999

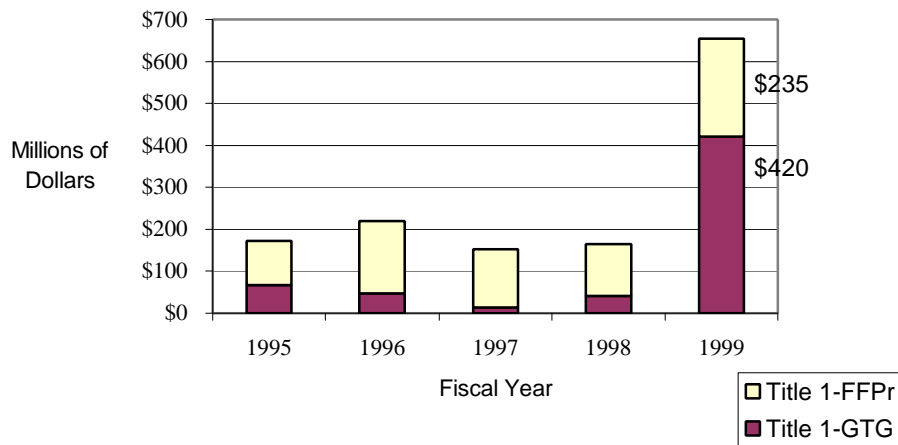
III. HIGHLIGHTS: THE PROGRAMS IN NUMBERS

In 1999, total U.S. international food assistance cost more than \$2.4 billion and moved nearly 10 million metric tons (MT) of commodities to 82 developing and re-industrializing countries and three regions--the South Balkans, the African Sahel and the Central American hurricane-impact region. Value-wise, 58 percent of this – almost \$1.4 billion (4 million MT) – was provided through the P.L. 480 Food Assistance program. The remainder was channeled through the Food-for-Progress program and Section 416 (b). The following chapter provides information on funding, tonnage levels and regional distribution of aid for the various components of U.S. international food assistance program.

A. P.L. 480 TITLE I

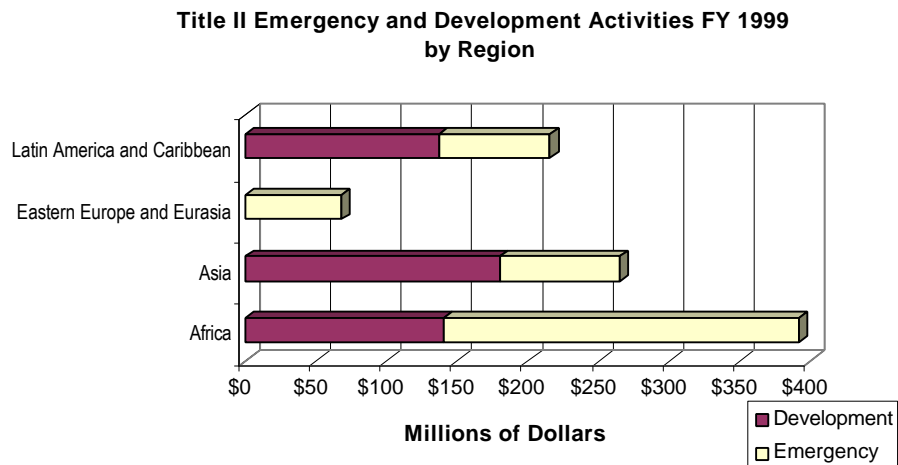
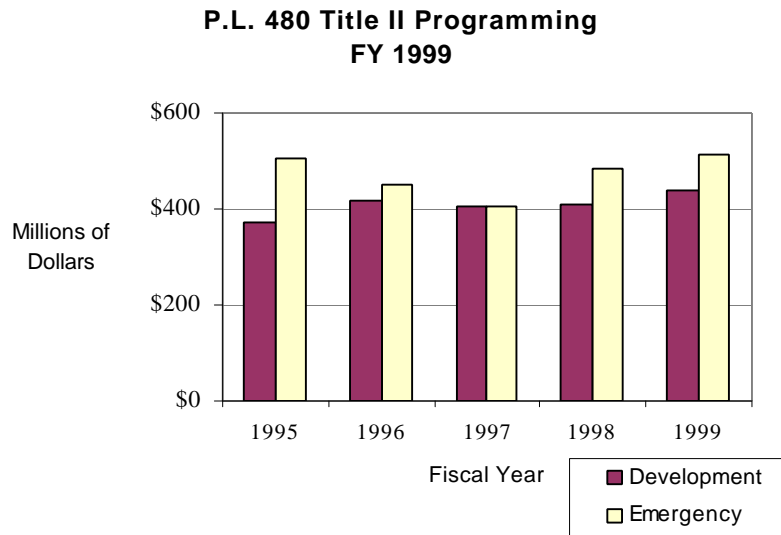
Title I government-to-government agreements provided concessionary credits to 12 countries for almost 2 million MT of commodities valued at nearly \$421million. (See Appendix 3 for a summary of commodities and tonnage and funding levels by country.) Four other countries received Title I-funded Food for Progress donations worth over \$235 million (over 252,000 MT of commodities). These funding levels represent a dramatic increase over 1998 levels, reflecting inter alia the considerable assistance to Russia in 1999.

**Title I Allocations to Food for Progress
and Government to Government Agreements
1995-1999**



B. P. L. 480 TITLE II

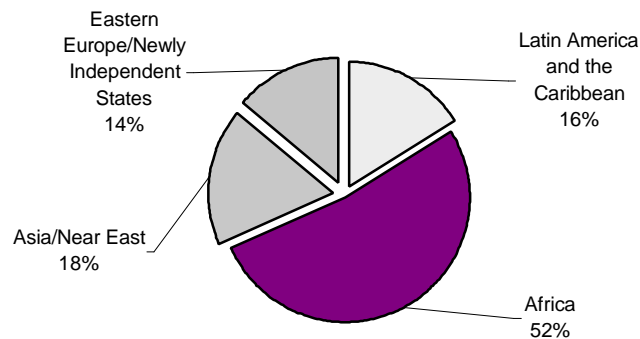
Title II Food for Peace (FFP) activities, valued at almost \$950 million, moved a total of 1.93 million MT and assisted more than 45 million beneficiaries in 56 countries and two regions (the Sahel and South Balkans) in FY 1999. Funding for Title II increased over FY 1998 levels, with spending on emergency programming (\$513 million) continuing to exceed that of development (non-emergency) programming (\$435 million).



TITLE II EMERGENCY ACTIVITIES

In FY 1999, USAID supported 67 WFP and PVO/NGO-implemented Title II emergency activities in 27 countries from four regions: Africa, Asia, Eastern Europe/Eurasia, and Latin America and the Caribbean. The budget for Title II emergency activities in FY 1999 totaled \$513 million, including procurement and transportation for over 792,000 metric tons of commodities (see Appendix 4 for a summary of tonnage and funding levels by country). Once again, the majority of emergency activities (52%) took place in Sub-Saharan Africa. However, emergency assistance to Latin America increased significantly in FY 1999 as a result of Hurricanes Mitch and Georges.

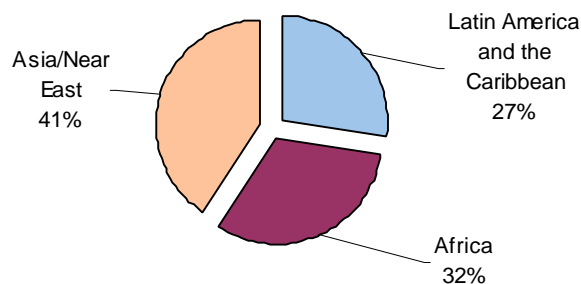
**Title II Emergency Assistance FY 1999
by Region**



TITLE II DEVELOPMENT ACTIVITIES

In FY 1999, USAID supported 102 Title II development activities in 42 countries from three regions: Africa, Asia, and Latin America and the Caribbean. The budget for Title II development activities in FY 1999 totaled over \$435 million, including procurement and transportation for almost 1,140,000 metric tons of commodities (see Appendix 5 for a summary of tonnage and funding levels by country). Development assistance to Latin America and the Caribbean declined slightly in FY 1999, as assistance to this region took on a greater orientation to emergency relief.

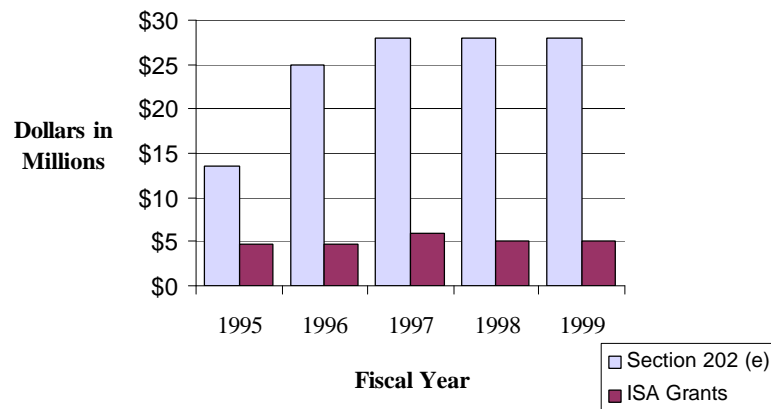
**Title II Development Assistance FY1999 by
Region**



SECTION 202(E) AND INSTITUTIONAL STRENGTHENING ASSISTANCE (ISA) GRANTS

USAID is committed to increasing the capacity of its cooperating sponsors to manage food aid programs through its Section 202(e) and Institutional Strengthening Assistance Grants (ISA). Section 202(e) funding has almost tripled from \$10 million in FY 1993 to \$28 million in FY 1999. ISA funding, in FY 1999, totaled \$5 million (see Appendix 8).

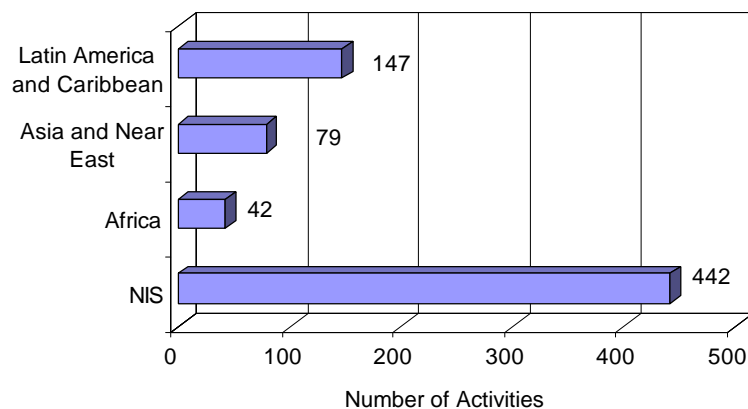
Section 202 (e) and Institutional Strengthening Assistance Grants 1995 - 1999



FARMER-TO-FARMER

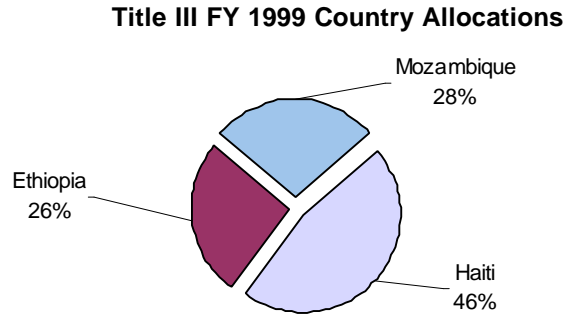
The Farmer-to-Farmer program fielded a total of 710 volunteer assignments in 31 countries in FY 1999. This is an increase over FY 1998 in assignments and countries served, although the Farmer-to-Farmer operating budget has remained constant at \$10.9 million. The vast majority of FTF activities took place in the NIS region – more than twice all other regions combined. Outside the NIS countries, the geographic zone recording the most activities in FY 1999 was Latin America and the Caribbean.

Farmer to Farmer Activities by Region FY 1999



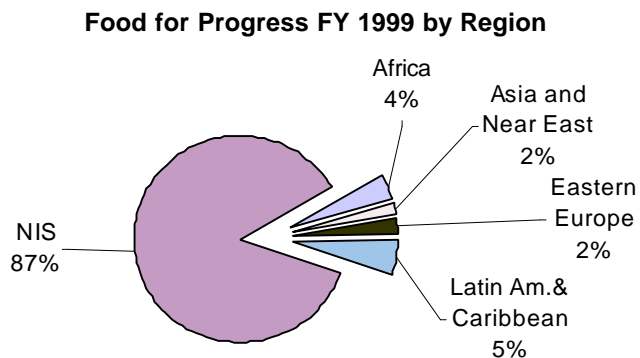
C. P.L. 480 TITLE III

USAID-administered Title III activities totaled \$21.7 million in FY 1999 and moved over 116,000 MT of commodities to 3 countries: Ethiopia and Mozambique in Africa, and Haiti in Latin America/Caribbean.



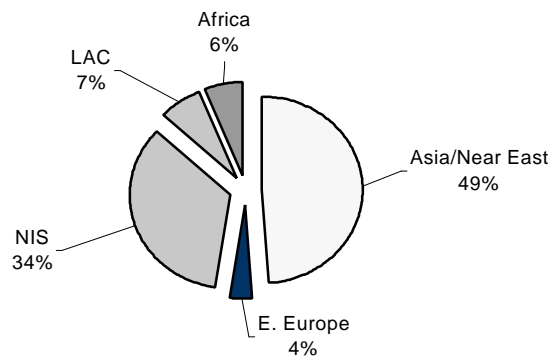
D. FOOD FOR PROGRESS

USDA's Food for Progress activities totaling more than \$295 million moved over 413,000 MT of commodities to over 20 countries in FY 1999. Of this, over 252,000 MT of commodities were purchased with P.L. 480 Title I funds for \$235 million. Assistance to Russia represented the bulk of this assistance at over \$220 million. An additional \$60 million (not including ocean freight) for 161,612 MT of commodities were provided for Food for Progress programming by the Commodity Credit Corporation (CCC).



E. SECTION 416 (b)

In FY 1999, 45 countries and two regions received approximately 5.5 million metric tons valued at about \$739 million programmed under Section 416 (b). This included over 5 million MT of wheat and wheat products under the President's special food aid initiative. Approximately 1.5 million MT of this was donated to the U.N. World Food Program (WFP) for emergency operations in Kosovo and throughout Africa, Asia and Latin America. The remainder was programmed through government-to-government agreements and agreements with private voluntary organizations.

Section 416(b) FY 1999 by Region

IV. ACCOMPLISHMENTS FY 1999

In FY 1999, USAID and USDA continued efforts to improve the effectiveness and efficiency of their respective food aid programs. In addition to the significant increase in food aid assistance provided, the agencies contributed to important domestic and international food aid initiatives completed this year. These include updated fact sheets on nutrient composition, improving the Commodity Reference Guide and contributing to the NGO-sponsored Sphere code of conduct for emergency relief, in which food aid is regularly a critical component. These and other accomplishments are covered in this chapter.

A. INCREASING PROGRAM EFFECTIVENESS THROUGH RE-ENGINEERING

USAID ADMINISTERED PROGRAMS

In 1996 USAID's Office for Food for Peace undertook a major initiative in re-engineering and results-based management creating its "Strategic Plan for 1997 – 2001," a policy document that defines and focuses Title II emergency and development activities. Following this strategic plan the BHR/FFP team has made strides in bringing Title II emergency and development activities in line with USAID's principles. (See the *1997 U.S. International Food Assistance Report* for a review of the strategic objectives and intermediate results indicators related to the BHR/FFP Strategic Plan).

The Office of Food for Peace's Strategic Objective Number One (SO1) covers emergency programs: *meeting critical food needs of targeted populations*. Strategic Objective Number Two (SO2) encompasses development programs: *increasing the effectiveness of USAID food aid programs for food security*. Progress indicators and results achieved by the agency and its cooperating sponsors are analyzed, tabulated and presented in annual "Results Review and Resource Requests (R4s)" - published in the spring following the close of each Fiscal Year. Most results presented in this section are based on field experience from the FY 1998 program cycle, drawing data from the R4s published in 1999.

TITLE II EMERGENCY ACTIVITIES

Emergency Food Assistance Strategic Objective (SO1)

Meeting critical food needs of targeted populations.

Within the overall Strategic Objective One, **Intermediate Results (IR) indicators** are designed to measure progress toward:

- Improved targeting of food aid to the most vulnerable populations (I.R. 1)
- Food aid delivered to target groups on schedule (I.R. 2);
- Improved planning to integrate relief activities to development (I.R.3); and

- Strengthened CS and host country capabilities to manage emergency food aid programs (I.R. 4).

Under FY 1998 Title II Emergency Programs, USAID cooperating sponsors reached at least 16.4 million people in need. US-supported WFP Protracted Relief Operations targeted an additional 3.4 million.

Reaching target populations: The volatile circumstances and settings for emergency assistance frequently pose obstacles to reaching targeted groups. Populations can shift considerably during emergency relief operations. Political constraints and other security issues can limit access to beneficiaries. Despite this challenge, USAID cooperating sponsors (CSs) reached at least 16.4 million beneficiaries with emergency food assistance in FY 1998. This represents over 77 percent of the target populations originally specified in assistance proposals. (The difference of 23 percent includes those not reached [18%] and those for whom no information was available [5%].) An additional 3.4 million beneficiaries were targeted for U.S. assistance through WFP's Protracted Relief Operations in 12 countries; 9 in Africa and 3 in the Asia/Near East region. (Recall that these reports cover FY 1998 activities, so do not include the Kosovo or East Timor operations which occurred in 1999.)

Food security can deteriorate rapidly in emergency conditions or, conversely, situations may stabilize or improve. The potential for such change means that food assistance programs require continuous monitoring and needs re-assessments. Reports for FY 1998, show periodic needs assessments were conducted for 87.5 percent of all Title II emergency assistance activities, exceeding targets by over 30 percent. (Intermediate Result 1.2).

Positive nutritional impact on target populations: The BHR/FFP emergency team has taken several steps to facilitate reporting on nutritional status by cooperating sponsors - including a reporting template designed in conjunction with PVOs and the UN Administrative Committee on Coordination, Subcommittee on Nutrition (ACC/SCN). Data is being shared with ACC/SCN.

FY 1998 was the first year that CSs provided nutritional data and survey results as part of the R4 process. For FY 1998 activities, 52 percent of emergency programs reported a positive effect on or maintained the nutritional status of beneficiaries. This was just over the target of 50 percent.

The case of World Vision's emergency work in Sudan shows the impressive benefits of carefully targeted food aid, comprehensive and complete surveys and opportune reporting on nutritional status.

Staving Off Starvation in Sudan – World Vision

In Sudan, the 15 year civil war has greatly affected the nutritional status of vulnerable groups such as children under five, and pregnant and lactating women. The situation deteriorated in 1998 with renewed fighting in Bahr El Ghazal region. Famine was exacerbated by two years of poor harvests followed in some areas by flooding in 1998. Throughout 1998, the number of civilians at risk of death by starvation increased rapidly – from 350,000 in February to 700,000 in April, burgeoning to 1.2 million in May 1998.

World Vision, Inc. started its work in southern Sudan in April 1993, responding to high levels of malnutrition. At the time, about 25 percent of children under five were malnourished. World Vision did general food distribution and opened feeding centers for severely malnourished children. Regular surveys were conducted during pre- and post-harvest periods to assess nutritional status and assist in providing data on areas that might require additional food aid. This information was particularly important during the hunger-gap period (April – August).

World Vision carried out a nutritional survey of children under five in Tonj County (November 1998) which indicated a global malnutrition rate of 18.3 percent. Although still high, this was an improvement from the 33.4 percent malnutrition rate in May 1998. These results confirmed the observations made during the survey and the ongoing monitoring reports from the therapeutic and supplementary feeding programs. It is a clear indication of improved nutritional status.

World Vision undertook similar surveys in 1997 during emergency health interventions in Sudan's Gogrial County in the Bahr El Ghazal area. The first, in April 1997, indicated very high levels of malnutrition (40.8 percent). A follow-up survey in 1998 showed that the malnutrition rate dropped to 11.9 percent, reflecting a very effective emergency feeding program.

Nutritional Survey – Pathuon and Toch Payams of Gogrial County and Tonj County, Bahr El Ghazal Region, South Sudan, World Vision/Sudan, November 1998

The emergency feeding program in Bahr El Ghazal reduced malnutrition from 40.8% to 11.9% in seven months.

World Vision/
Sudan

When a food crisis develops...it is U.S. food aid that invariably arrives first. That was the case in the response for Hurricane Mitch and for the crisis in Kosovo."

Hugh Q. Parmer,
Assistant
Administrator, Bureau
for Humanitarian
Response, USAID,
Oct. 26, 1999

TIMELINESS OF FOOD AID DELIVERY: The perennial problem "Pipeline shortages" – delays in delivery of food aid – was greatly improved by the full implementation of year-round pre-positioned stocks at two U.S. ports this year. (See box, below.) In FY 1998, when pre-positioning was still in a pilot phase, 47 percent of programs experienced pipeline shortages. However, when pre-positioning of food aid commodities was fully implemented, all programs reported timely deliveries. In response to Hurricane Mitch, airlifts of food from stock at Lake Charles, LA occurred within 72 hours of the storm's passing. Also, in FY 1999 temporary, one-time pre-positioning of food relief in Albania allowed USAID to meet Kosovo refugees' needs quickly and efficiently.

In addition to speed of response, the pre-positioning of commodities is helping in other ways. If food for non-emergency programs has been delayed in getting to

port, stockpiled commodities can fill in to assure full delivery of requested food. It also saves money by avoiding “dead freight” charges. (Shippers charge for the full quantity requested in a contract whether or not the full amount makes it on board.) Another advantage is that commodities can be purchased when prices are low.

The BHR/Food For Peace emergency team continues taking steps to improve program planning, the approval process, and food aid delivery mechanisms to assure food arrives where it is needed when it is needed. A two-year proposal cycle (with an annual funding review) for long-term and complex emergencies is facilitating planning and enabling Cooperating Sponsors to better address relief-to-development transition issues. Moreover, a new grant document has standardized emergency assistance proposals.

Pre-Positioning Initiative Saves Time and Money

This year, USAID and USDA undertook large-scale pre-positioning of emergency food stocks at U.S. ports. This greatly expanded what had been a successful pilot program in FY1998. Availability of commodities in Lake Charles, LA enabled the Bureau of Humanitarian Response/ Food For Peace to airlift critically needed food to Central America within days of Hurricane Mitch’s assault on the region. Emergency commodities landed in West Africa and the Kosovo region within 30 days – shipments that previously would have taken 90 to 120 days to arrive in country.

Emergency stocks pre-positioned at Lake Charles and Houston’s Jacinto Port also allowed rapid response to urgent needs the Angola region, Ethiopia, Indonesia, North Korea and Sudan. The program allows for stockpiles of 65,000 metric tons or a value of \$30 million dollars.

Planning for relief to development transition

The BHR/FFP team continues to encourage effective “relief exit strategies” for emergency activities. Title II cooperating sponsors are supported in designing transition activities that move recipients from relief to development. Transition and/or exit strategies were included in 69 percent of all FY 1998 emergency activity proposals, exceeding the target by 6 percent.

During emergencies, local production, distribution networks and institutions are most often seriously disrupted. In order for emergency activities to transition from relief to development, programs must avoid negative impacts that delay the recovery of such local systems. During FY 1998, over 88 percent of programs addressed this issue by including mechanisms to build local capacity, encourage beneficiary participation, and utilize local distribution networks. Programs aggressively seek to support community recuperation and not undermine local agricultural production or markets.

TITLE II DEVELOPMENT ACTIVITIES

Development Food Aid Strategic Objective (SO2):

Increasing the effectiveness of USAID's partners in carrying out Title II development activities with measurable results related to food security with a primary focus on household nutrition and agricultural productivity.

Strategic Objective 2 and its associated indicators are designed to measure the people-level targets set by BHR/FFP's cooperating sponsors. This approach follows directly from the *Food Aid and Food Security Policy Paper*, which recommends that responsibility for the *managing-for-results* system falls primarily on the CSs and USAID Mission staffs who can propose activities they believe will have the greatest food security impacts. USAID/FFP's role is to improve the capacity of CSs to:

- 1) Design food security monitoring and evaluation (M&E) systems;
- 2) Implement food security M&E systems; and
- 3) Achieve food security results.

While targets for continued improvements in CSs' ability to define and lay the basis for reporting on performance monitoring plans were met, some targets for results achievement by CSs, were not met. During FY 2000 the SO2 team is proposing to reformulate the strategic objective and revise some indicators for intermediate results.

In FY 1999, three-quarters of CSs' approved proposals identified objectively-measurable, program-linked performance indicators, as defined in BHR/FFP guidance. Information presented in the CSs' FY 1998 results reporting shows continued improvement in CS ability to establish baseline data and targets for performance within one year of activity approval. And, in a clear improvement over previous years, 75% of CSs' annual results reports submitted contained performance-reporting data comparing results achieved against targets. This increase in the proportion of CSs demonstrating the capacity for results-based management, by developing and using a performance reporting plan, is a clear advance and success of SO2.

In addition to its management-by-results uses, this improved information collection ability has positive impacts on the beneficiary communities, as evidenced by Catholic Relief Services program in Benin.

Program Strengthened By Improved Information –Catholic Relief Services

CRS Benin has developed a Management Information System (MIS) that does more than provide input to program managers. Some communities have begun using the MIS to provide feedback to community members, local authorities, and Ministry of Health (MOH) officials about the health situation in their area. A number of communities indicate that vaccination information from the MIS showing high needs encouraged MOH vaccination agents to come to villages or schedule health education days to vaccinate children, effectively improving vaccination coverage.

The El Niño weather phenomenon played an important role in preventing many CSs from reaching targets set for health and, especially, agricultural activities. However, while some FY 1998 targets of increased yield or production were not met, Title II development activities have been able to increase the resilience of the production systems they are working with, and decrease risk as described in Chapter II and the example below.

Title II Program Reduces Small Farmers' Risk – Food for the Hungry
FHI/Mozambique reports that its Agriculture Program was very successful despite widespread flooding in the wet season and much drier condition than normal thereafter. While maize production province-wide was poor, farmers that adopted FHI practices produced nearly 50 percent more per hectare than non-assisted farmers.

Many CS staff from development programs pitched in during emergency operations this year. For this and other reasons, some CSs did not submit results reports in time for inclusion in the R4. Nevertheless, the CSs' FY 1998 Results Reports documented a range of success stories in increasing agricultural productivity, household income and nutrition.

Alpaca Wool Growers Increase Their Incomes – TechnoServe

In Peru's Puno district, small producers of alpaca fiber recently organized into legally-recognized marketing enterprises, and for the first time directly negotiated sales with International de Comercio, Inc. With credit through TechnoServe (TNS), 38 new enterprises bought fiber from some 1,100 small producers living in remote communities. For the first time, producers were paid under a classification system based on the quality of their fiber, as opposed to selling at lower prices as a "single-bundle." The producers captured more value-added for their products and increased their profits.

Child growth improves in Mozambique – Africare

Africare Mozambique completed a pilot program using the "HEARTH" methodology to target and improve the status of under-weight children using volunteer mothers. This program was expanded to each of the communities included in Africare's outreach. The results were very positive; 75 percent of the participating children gained weight during a 28-day period. More importantly, the participating mothers had a graphic demonstration of the link between better eating, weight gain and improved health status of their children.

The BHR/Food for Peace SO2 team received very positive scores from those CSs that responded to the annual survey on the quality of technical support rendered, for: a) program design and implementation; and b) monitoring and evaluation. While acknowledged staffing constraints have adversely affected the timeliness of some BHR/FFP processes, steps are being taken to increase efficiency to the extent possible. Accessibility of all documents via the USAID Web page has streamlined communications between BHR/FFP and its partners. The office also receives high marks among the PVO and producer communities for openness to stakeholder input. The BHR/FFP team has worked closely with the PVOs, their major umbrella organization, Food Aid Management (FAM), and the Food Aid Consultative Group (FACG) - to make Title II Guidelines more useful to CSs. (See Section V for more on the Food Aid Consultative Group.)

USAID Missions are partners in food aid management and have continued to expand their capabilities. Consistent with the decentralization goals of its re-engineering strategy, the USAID Food for Peace Office is delegating decision-making and Title II development resource allocation to selected USAID Missions. Thus far, BHR/FFP has signed Memoranda of Understanding with five Missions representing the following food-insecure countries: Bangladesh, Haiti, India, Mozambique and Peru.

BHR/FFP developed a list of ten Mission management criteria to assist in: 1) assessing the strengths and weaknesses of Mission Title II program management; 2) identifying capacity needs and developing appropriate training responses, where possible; and 3) evaluating Mission capacity for re-delegation of greater management responsibilities and approvals of on-going programs.

During FY 1999, SO2 team members, assisted by the Health and Child Survival Fellow and staff from the Global Bureau/Population, Health and Nutrition's Food and Nutrition Technical Assistance (FANTA) project, conducted informal yet in-depth reviews of each Title II country program visited during the FY 2000 program review cycle.

Integration with Other Activities and Strategies

Consistent with USAID policy, BHR/FFP's team seeks to maximize integration of Title II activities with other USAID resources available in recipient countries and to increase participation by national/local governments in supporting development activities. An example of the latter is the Indian government's payment of all costs associated with internal transport, shipping and handling of Title II development commodities within India, in addition to underwriting a sizable percentage of CARE's in-country administrative costs.

BHR/FFP encourages cooperation among USAID Missions, PVOs, international organizations such as WFP, and other food assistance donors - in carrying out food security assessments and M&E activities. These collaborative efforts improve program quality while often reducing the cost of such activities.

USDA-ADMINISTERED PROGRAMS

USDA achieved impressive results in delivering Section 416(b) food aid to 45 countries and 2 regions during FY 1999. Often, complex agreements required negotiation to both ensure the security of commodities and the timely monitoring of their delivery to target groups. In addition to the negotiating teams, commodity purchasing and export specialist worked to meet ambitious delivery goals.

By the end of Fiscal Year 1999 USDA had shipped approximately 5.5 million metric tons of food – grains, pulses, dry milk, and other commodities – under the Section 416(b) authorization. (Shipment of remaining commodities under agreements signed later in the Fiscal Year continued throughout calendar year 1999.) USDA concluded government-to-government agreements with 31 countries. Some food in-secure nations received commodities both under regular agreements and

"Let me give some well-deserved credit to USDA employees for their dedication and hard work on this food aid package. The magnitude, complexity, and in many cases lack of precedent for these agreements imposed extraordinary demands on their time, commitment, and creativity."

USDA Secretary Dan Glickman in testimony before the House Agriculture Committee, Oct. 6, 1999

through U.S. commodity contributions to the World Food Program. Twenty-three countries received such assistance through WFP.

In addition to the unusual volume of Section 416 (b), USDA successfully managed an increase in the dollar value of its Title I portfolio. In FY 1998, USDA had changed its process in order to complete agreements earlier in the year thereby avoiding year-end bottlenecks. This change has facilitated the flow of increased food assistance.

B. IMPROVED FOOD ASSISTANCE MANAGEMENT

COMPLIANCE WITH ENVIRONMENTAL IMPACT REGULATION 216

Starting in FY 1998, all Title II development food assistance activities began submitting environmental documentation along with all new and follow-up proposals (DAPs and PAAs). This documentation brings Title II food assistance programs into compliance with USAID's environmental procedures under *Title 22, Code of Federal Regulations, Part 216*, also known as 22 CFR 216, or simply Regulation 216. The purpose is to show that programs consider and take steps to avoid or lessen any potentially adverse environmental impacts their activities might create.

Many Title II development activities, such as training and direct food distribution through hospitals or schools have little or no impact on the environment and, therefore, require only brief documentation for compliance. Other activities with more potential impact require an Initial Environmental Examination (IEE). These activities may still be acceptable if the proposal includes measures to avoid or lessen any adverse environmental impact. In cases where there may be a potentially significant impact, a more extensive Environmental Assessment is required before the activity will be approved for USAID funding. Large-scale public works types of food aid activities most often require a full Environmental Assessment. (See side box.)

Activities that may require an Environmental Assessment:

- Road construction and rehabilitation;
- Agricultural terracing, leveling or clearing;
- Sewage, irrigation, drainage, dam construction and other water management projects;
- Introduction of non-native plant species;
- Large-scale agricultural mechanization;
- Use of certain pesticides

An Environmental Working Group (EWG) formed in FY 1998 is chaired by the PVO umbrella organization, Food Aid Management (FAM), and includes representatives from USAID BHR/Food for Peace, USAID's Regional Bureaus, as well as a USAID Environmental Officer and an environmental expert from Catholic Relief Services. The EWG developed a comprehensive manual and an easy-to-use field guide to Regulation 216 for use by P.L. 480 Title II food aid programs. Information on who must comply, how to fill out documentation and deadlines for compliance, as well as suggestions on monitoring and mitigation strategies included in the materials - helps reduce environmental impacts by facilitating compliance. This field guide is also available in French and Spanish.

Virtually all proposals for FY 1999 and FY 2000 activities were submitted with the necessary documentation for compliance with Regulation 216. Many CSs changed planned activities to

mitigate against adverse impacts, such as potential runoff from road building and other construction activities. The IEE process has engendered cooperation among CSs to share lessons learned across their global programs. For example, CARE's environmental assessment (EA) for road construction/rehabilitation, which suggests several mitigation strategies, is now being used as a guide by other CSs in Central and South America.

In FY 1999, the Environmental Working Group's activities moved CSs beyond simple compliance to a more integrated approach to food assistance programming that incorporates sound environmental planning. Field-based training provided assistance to CSs on programming design for improved mitigation and monitoring strategies. Training often includes special topics such as integrated pesticide management (IPM), soil conservation, small-scale irrigation, and water and waste management, as appropriate to the needs of the program area.

C. IMPROVED MONETIZATION MANAGEMENT

Food assistance that can be *monetized* is an important tool for development. Cooperating sponsors market some or all of food aid in the recipient country in order to raise local currency for support of the development activities that can improve long-term food security.

USAID, in conjunction with cooperating sponsors, continue efforts to improve management of monetized food assistance. Monetization-supported activities must conform to USAID's food aid and food security policy guidelines, address underlying causes of hunger and seek to improve long-term food security through sustainable development objectives:

**PVO Monetization
Management
Accomplishments,
FY 1999**

PVO Monetization Manual
completed

Three Food Aid
Management Workshops

Trainings in Wash., DC
and Accra, Ghana for 53
staff and members from
13 Cooperating Sponsor
organizations

- Agricultural production improves when poor farmers have access to agricultural extension services that are supported by funds from monetized food assistance.
- Nutrition education programs to improve household dietary practices often tap monetization proceeds.
- Funds may also be used to provide credit for micro-enterprises that can help alleviate poverty.
- Cash from monetized commodities is increasingly used to cover management and logistical costs for moving food aid in recipient countries formerly covered by overall foreign assistance dollar support - which has declined in recent years.

A Bellmon

Determination Analysis

is submitted with all food assistance proposals to show:

- The recipient country has adequate storage facilities;
- Food Aid will not disrupt domestic production or marketing.

A Usual Marketing Requirement (UMR)

analysis is conducted for all government-to-government agreements and in the case of third country monetization to ensure that P.L. 480 sales do not disrupt:

- World commodity prices; or
- Normal commercial trade patterns.

While monetization means that a portion of food assistance is not distributed directly to targeted beneficiaries, monetized food assistance still plays a role in improving the availability of food in recipient countries and provides major assistance for long-term food security efforts. It increases the overall supply of food in recipient countries that likely would not be able to import food commercially due to inadequate foreign currency reserves – an important consideration given the current financial crises in many developing economies.

All cooperating sponsors are required to submit a Bellmon Determination Analysis with their Title II food assistance activity proposals and before any Title II commodity is shipped, the Mission Director of the benefited country must certify that a current Bellmon Determination Analysis has been completed. The request with this certification must then be approved by the Director of USAID's Office of Food for Peace. Similarly, prior to shipment of Title III government-to-government food assistance, a Usual Marketing Requirements (UMR) analysis must be completed to determine that the bilateral food aid transfer will not disrupt trade patterns or market prices.

The increasing trend toward monetization has affected the commodity mix channeled through P.L. 480 Title II programs, with more bulk commodities being called for by PVOs because these have been easier to monetize. The 75 percent mandate for value-added foods has not been met. The Food Aid Consultative Group (FACG) has increasingly addressed the concerns of U.S. domestic producers and processors supplying P.L. 480 commodities. Through the FACG, USAID and USDA are continuing to work with CSs and producer and processor groups to identify strategies to minimize any negative impact the trend towards monetization has on domestic producers and processors. (See further discussion of FACG in Section V of this report.)

Monetization: One PVO's Point of View

Africare carries out its food aid programs by monetizing commodities. Africare's Food for Development Director notes that the process has multiple benefits. First, food commodities are targeted for calorie-deficient countries. Second, the legal and financial transactions and logistical arrangements to protect in-country shipments of food aid builds local capacity in these skills which will remain important as countries eventually move to commercial imports for boosting food security.

Source: Africare Headquarters

D. SUPPORT FOR COOPERATING SPONSORS

As noted throughout this report, many U.S. food assistance programs are implemented by several dozen cooperating sponsors (CSs), primarily U.S.-based private voluntary organizations. USAID undertakes many efforts to strengthen CS capabilities. A successful joint effort of USAID and the major U.S. PVOs is FAM – Food Aid Management - whose work chairing the Environmental Working Group was reported above.

A major task in FY 1999 focussed on the development of a Monitoring and Evaluation (M&E) “tool kit” by FAM. The M&E working group collaborated with the Food and Nutrition Technical Assistance (FANTA) project on Sampling Methodologies at a May 1999 Workshop. A Monetization Workshop was also included as part of FAM’s Annual Meeting (November 1998).

Also in FY 1999, the FAM Monetization working group produced the PVO Monetization Manual (September 1999). Monetization working group members Africare and ACDI/VOCA jointly hosted field-based monetization training (July 1999). Local Capacity Building (LCB) was identified as the topic theme for presentation at FAM’s November 1999 Annual Meeting.

FAM: A PVO Resource for Improved Food Aid Management

Food Aid Management (FAM) is a technical support and resource center for PVOs involved in food assistance programs. Its members are the major U.S.-based Cooperating Sponsors (CSs). FAM was created to "promote the efficient and effective use of food aid resources to help alleviate hunger and contribute to food security." FAM works to achieve this goal by managing the three following objectives:

- Promoting information exchange and coordination
- Providing a forum for discussion and collaboration
- Developing food aid standards

FAM members established three priority working groups on:
1) Monetization; 2) Monitoring and Evaluation; and 3) Local Capacity Building.

FAM also manages an extensive Food Security Resource Center (FSRC); develops training and workshops; produces and disseminates a variety of food security-related documents and tools in support of the Title II cooperating sponsors; and provides a central point for Title II CS coordination. Much of FAM’s FSRC library of resources is available on line, serving PVOs, researchers and agencies worldwide. FAM’s Internet address is: www.foodaid.org

E. MICRO-NUTRIENT FORTIFICATION

This year major steps in nutrient fortification programs went forward. Last year's decision to fortify all edible vegetable oils with Vitamin A led to a testing period for all shipments undertaken in FY 1999. This testing prepared suppliers for the rule's implementation date of December 1, 1999.

Vitamin A deficiency has long been targeted by U.S. and other international food assistance programs because Vitamin A deficiency can lead to reduced resistance to infection and increased risk of mortality. It is also the single most common cause of blindness in children in developing countries.

The decision to fortify vegetable oil was based on a study by SUSTAIN, a USAID cooperating partner, and after consultation with nutritionists, commodity specialists and cooperating sponsors. Fortification of vegetable oil is a cost-efficient and safe mechanism to supply vitamin A to recipients at recommended levels. In the edible oil medium, vitamin A is stable in shipment and in cooking.

SUSTAIN, Sharing United States Technology to Aid in the Improvement of Nutrition, also completed the Micronutrient Assessment Project (MAP) in FY 1999, which addresses fortification of cereal commodities. MAP directly influenced a new policy. Now all dry cereal products processed for food aid, for the first time, have minimum enforceable standards for micronutrients. The testing phase for implementing this requirement began in October, 1999. Full enforcement will begin in 2000. These new micronutrient standards have been incorporated in fact sheets updating the Commodity Reference Guide.

F. IMPACT EVALUATIONS, LESSONS LEARNED, & SPHERE

During 1999 USAID's Center for Development Information and Evaluation (CDIE) completed two country impact evaluations examining U.S. provision of food aid in two countries where political conflict and poverty created complex humanitarian emergencies – Haiti and Mozambique.

In the case of Haiti, CDIE describes the effects of the U.N. economic embargo that sought, unsuccessfully, to oust the regime. While emergency food aid provided by USAID and others succeeded in ensuring the survival of the most vulnerable, CDIE notes, "Economic sanctions can cause or exacerbate a humanitarian crisis, requiring short-term emergency assistance..."

CDIE also highlighted the fundamental role played by food aid in recovery

efforts. Specifically, food-for-work met immediate needs; moreover, as part of the package, tools, seeds and other inputs - in addition to food - were provided. These USAID-supported projects enabled rural households to resume farming, thereby creating a link to longer-term agricultural development.

The **Mozambique Impact Evaluation** assesses the effectiveness of USAID emergency assistance provided from 1987 through 1995, covering the final years of a 16-year civil war, a major drought, and protracted peace accord negotiations, i.e., the difficult beginning of the transition from relief to development. CDIE notes that food aid was a valuable resource and that local government institutions, often weak and fragile, were overwhelmed by the emergency and could not by themselves manage supply or distribution. This meant that USAID and PVOs were called upon to directly manage most aspects of food aid logistics. Among lessons learned were the importance of continuing and constant coordination of donor, PVO and government efforts. Additionally, rapid demobilization of combatants and their reintegration into civilian life is a **sine qua non** for the transition from relief to recovery. Such demobilization and reintegration was aided by opportune provision of food, training and settlement support. As in Haiti, the importance of food-for-work accompanied by seeds-and-tools programs, that assist people in supporting themselves, was underscored.

Several of the themes in the CDIE evaluations were echoed in USAID's 1999 Humanitarian Assistance Goal Review. The Review emphasized more focus on ways to support the local economy to enable it to be able to meet basic, food, water, shelter and health needs as quickly as possible. In short, these studies and reviews provide us a better understanding of program implementation in transition countries and how to strategize for these situations.

Another major accomplishment in FY 1999 was the completion of the **Sphere Humanitarian Charter and Minimum Standards in Disaster Relief**. The Sphere project, an impressive international effort begun in 1996, creates a code of conduct protecting the rights of the vulnerable populations in conflict situations. Specifically, the Charter governs assistance to refugees and conflict victims through agreed upon international standards in the sectors of shelter and site management, food aid, public health, water supply and sanitation. More than 250 organizations contributed to the development of the Charter.

In consultation with other donors, USAID will strive to target its humanitarian assistance to projects and organizations that provide assistance according to the SPHERE project.

V. U.S. INTERNATIONAL FOOD ASSISTANCE: IMPACT ON THE U.S. ECONOMY

"We can both help the American Farmer and in the tradition of the United States, provide humanitarian relief to the needy and the developing world."

Dan Glickman, USDA Secretary

While U.S. international food assistance is grounded in American humanitarianism, it also benefits the U.S. economy. The \$2.4 billion in U.S. food aid provided this year, bought American food for a hungry world. The food went overseas; however, much of the money stayed here.

International food assistance has always been, in part, a mechanism to channel the abundance of American agricultural potential. Used as food aid, American food abundance alleviates suffering in countries in crisis. But Americans benefit, too – both directly and indirectly – as goods and services used to provide food assistance are purchased in the U.S., packaged in the U.S. and transported to ports for shipping, primarily on U.S. carriers.

When food assistance is used to support development activities, it can alleviate poverty and promote economic growth in recipient countries. Research has shown that as incomes in developing countries rise, consumption patterns change and food imports increase. In short, aid leads to trade, from which Americans stand to directly benefit.

A. *Direct Gain—Benefits to U.S. Producers, Processors, Packagers and Transporters*

The U.S. government commits approximately one-half of one percent of its total budget to foreign assistance annually. Of this, approximately 80 percent of all assistance funds are spent in the U.S. to purchase goods and services from American businesses all over the country. Farmers produce the millions of dollars worth of agricultural commodities that are purchased for P.L. 480 programs. Bulk agricultural commodities are purchased from U.S. brokers. Wheat flour, corn meal, vegetable oil and other processed food products, such as corn-soy-blend, are produced by American processing manufacturers. Processed commodities are packaged in bags, tins and other containers that are produced and printed in the U.S. Finally, commodities travel from producer and processor

"The U.S. farmer is the most indispensable person on the planet."

David Brinkley

Domestic Beneficiaries of United States International Food Aid:

- Agricultural Producers;
- Processors: Millers, Edible Oil refiners, etc.;
- Packaging Manufacturing;
- Rail and Motor Transport Lines;
- Ocean Commercial Shipping Lines; and
- Ports.

to port, where they are loaded for shipping to recipient countries in large measure on ships sailing under U.S. flag. Perhaps most self-evident are the benefits from P.L. 480 purchases to large agricultural producer states such as Kansas, Nebraska, Iowa, Oklahoma, Washington, North and South Dakota, and Indiana. However, the benefits are actually distributed more broadly across the U.S. Fortificants that are added to commodities to combat micronutrient deficiencies in beneficiary populations are purchased from companies in Connecticut, New Jersey, Missouri, Tennessee, Kansas and Illinois. Bags and other containers are produced in Ohio, Arkansas, Utah, Missouri, Kansas, Iowa, Texas, California and Florida. Depending on the location of the processing facility and the final destination, the commodities may be shipped out of one of 14 ports in Texas or out of ports in Louisiana, Florida, Tennessee, North and South Carolina, California or Washington State.

To more fully understand the domestic financial implications of food aid, USAID has commissioned an economic analysis of the state-by-state economic impacts of U.S. food assistance programs. That study should be completed in early 2000. The information presented here seeks to give a brief overview of the issue.

Economic Impacts from Sales of 50,000 MT of Packaged Vegetable Oil

The estimated benefit to American producers, processors, packaging and transportation sectors from the purchase is:

- Value-added market for 275,000 acres of **Minnesota** soybeans;
- One year full employment for a **Tennessee** vegetable oil packaging plant;
- Six months total production of a medium-sized **Iowa** soybean oil refinery;
- Four months production for an **Illinois** metal container manufacturer;
- Three days production for an **Indiana** steel mill;
- Four months production for an **Alabama** corrugated shipping container manufacturer;
- One month full employment for longshoremen at a major **Louisiana** port;
- Eight months sailing for a U.S. flag vessel;
- Multi-state transportation impact – 700 rail carloads of refined oil; 1,250 truckloads of packaging materials; 2,775 truckloads of packaged vegetable oil.

Source: William Hudson, Vice President, CalWestern Packaging Corp., 1998

Over 900,000 metric tons of commodities are transported each year to final port of exportation on Class I railroads lines, including:

Union Pacific
Burlington Northern
Santa Fé
Norfolk Southern
CSX Transportation
Kansas City Southern
Class II Railroads, the Motor Carry Industry, and Inter-modal Marketing Companies also benefit from P.L. 480 commodity transport.

More than 80 percent of food aid commodities were shipped on vessels of major U.S. ocean transport companies, including:

Waterman Steamship (NY)
Sealift, Inc. (NY)
American President Lines (CA)
Farrell Lines (NY)
Sea-Land (NJ)

B. INDIRECT GAIN—THE WIN/WIN OF INTERNATIONAL FOOD ASSISTANCE

U.S. agricultural relies increasingly on exports, and specifically on the growth of markets in developing countries. Currently, American farmers plan on the fact that production from more than a third of all harvested acreage will be exported, including an estimated 55 percent of wheat, 43 percent of rice, 35 percent of soybeans and 18 percent of corn (CRS Issue Brief, Hanrahan, 1998). These exports translate into jobs for Americans both in farm and non-farm jobs. USDA estimates that agricultural exports generate an estimated 895,000 full-time civilian jobs, over half in the non-farm sector.

Developing economies are proving to be the greatest area of market growth for U.S. agricultural exports. Approximately half of all U.S. agricultural exports now go to developing economies, mostly countries in Asia. The crisis in Asian financial markets was felt acutely and immediately in America's farm producing states. Given the inability of vulnerable developing countries in Asia and elsewhere to continue their commercial purchases of U.S. commodities, P.L. 480 and Section 416(b) allocations made it possible for the U.S. government to continue commodity purchases. The result is that needy people in many countries had their food needs met and U.S. farmers continued to export.

Despite the Asian financial crisis and its slow recovery, the trend toward more U.S. exports is predicted to continue. Developing countries are expected to more than double net cereal imports by 2020 as a result of population and income growth (Pinstrup-Anderson and Cohen, IFPRI Brief 56, Oct. 1998).

Moreover, the U.S. farmer directly benefits the most when developing countries expand their rural economies. An International Food Policy Research Institute study shows that each dollar increase in developing-country farm output leads to 73 cents in new imports, including 17 cents of agricultural imports and 7 cents of cereal imports (IFPRI, June 1995).

Some of the Top U.S. Ports of Export for P.L. 480 Commodities in FY 1999 include:

1. Houston, TX (Jacintoport)
2. Lake Charles, LA
3. Chicago, IL
4. Corpus Christi, TX
5. New Orleans, LA
6. Seattle, WA
7. Milwaukee, WI
8. Sacramento, CA
9. Charleston, SC
10. Memphis, TN (Litco)
11. Baltimore, MD
12. Norfolk, VA

"Approximately one-third of the Title II [food aid] in the last year and the two previous years was processed, fortified and blended cereal-based commodities procured from U.S. grain processing companies."

Hugh Q. Parmer, Assistant Administrator, USAID Bureau for Humanitarian Response, at the North American Millers Association Meeting, Oct. 22, 1999

**Food Aid
Consultative Group
Members and
Regular
Participants:**

Cooperating
Sponsors

(All Full Members)
ADRA,
ACDI/VOCA,
Africare,
American Red Cross,
CARE,
Caritas del Peru,
Catholic Relief
Services,
The Citizens Network
for Foreign Affairs,
Coalition for Food Aid,
Cooperative Housing
Foundation,
Counterpart Inter-
national,
OIC International,
PRISMA,
Project Concern
International,
Relief Society of Tigray,
Save the Children
Federation/USA,
TechnoServe,
World SHARE Inc., and
World Vision Inc.

Producer Groups

Official Members:
North American Millers'
Association,
Land O'Lakes,
Dry Bean Council, U.S.
Wheat Associates

Regular Participants
USA Dry Pea and Lentil
Council, Seaboard
Corporation,
International Food
Additives Council,
National Potato Council,
Vegetable Oil
Producers,
National Oilseed
Producers Association,
North American Export
Grain Association,
USA Rice Federation,
American Soybean
Association,
U.S. Feed Grains
Council,
Washington and
Oregon Potato
Commission.

Many of our largest trading partners are former aid recipients. The list includes Japan and many of the European countries that received assistance after World War II. It also includes more recent emerging markets such as Mexico, South Korea, and Egypt.

**C. U.S. STAKEHOLDERS WORKING TOGETHER
FOR BETTER RESULTS**

The **Food Aid Consultative Group (FACG)** is an important forum for communication and problem solving between the three key U.S. stakeholder groups in international food assistance: the U.S. government, as represented by USAID and USDA officials, cooperating sponsors and commodity producer groups. The 1990 Farm Bill established the FACG to regularly review and address issues concerning the effectiveness of regulations and procedures that govern Title II food assistance programs.

As originally organized, FACG served as a mechanism for PVOs to share their experiences and ideas in order to improve delivery systems and enhance accountability in implementing food assistance. The 1996 Farm Bill re-authorized the FACG, expanded it to include representatives of agricultural producer groups and required that the group meet formally at least twice a year. FACG members have seized the opportunity of this forum, forming working groups to address issues and provide input for U.S. food assistance policies and practices.

The FACG working groups meet frequently and report back to the larger group at their semi-annual meetings. Working Groups have focused on such topics as:

- Policy and Program Coordination;
- Monitoring and Evaluation Costs and Requirements;
- Monetization;

**U.S. Government
Representatives
FACG:**

Official Members

USAID Assistant Administrator, Bureau for Humanitarian Response (for the USAID Administrator);

USAID Inspector General;

USDA Foreign Agricultural Service/Export Credits (for the Undersecretary of Agriculture/FAS).

Regular Participants

USAID Food for Peace Director and staff;

USDA Foreign Agricultural Service/ Program Planning Division.

- Capacity Building;
- Transportation; and
- Relief to Development Transitions.

Communication and coordination between U.S. international food assistance stakeholders are further enhanced by **Export Food Aid Conferences** sponsored by USDA. Initiated in 1998, the Conferences are now annual events.

Held in Kansas City, location of the USDA Commodity Procurement Office, the conferences bring together 250 representatives from USDA, USAID, co-operating sponsors, commodity producers, processors and transportation lines. The two-day conference covers wide aspects of international food assistance provision. PVOs share their experiences of implementing programs on the ground in foreign countries. Producers, processors and transportation lines explain their perspectives on providing and moving food assistance commodities. USAID and USDA representatives give overviews of program objectives, directions and logistics. Panel-style discussions allow each group to better understand the needs and concerns of the others.

The conference provides a valuable mechanism for improving coordination and increasing effectiveness among the diverse stake-holders in food assistance programming.

The overall value of U.S. agriculture exports in 1998: \$53.7 billion.

This represents 8% of all U.S. Exports.

Source: USDA/ERS

“The U.S. Government’s P.L. 480 programs mobilize the abundance of the nation’s farms and the ingenuity of our food processing industry, shipping companies, packagers, port facilities, and private voluntary organizations to relieve the suffering of the world’s hungry people. Together we lift up the poorest and mitigate the misery of those struck by natural disasters and civil strife.”

Hugh Q. Parmer, Assistant Administrator, USAID Bureau for Humanitarian Response, at the Second Annual Export Food Aid Conference, October 26/27, 1999

AFTERWORD

P.L. 480, USAID AND THE ON-GOING CASSAVA SUCCESS STORY IN UGANDA AND THE EAST AFRICAN REGION

In Africa, cassava production is the highest in the world – 80-90 million metric tons annually. More than 200 million Africans depend on cassava as their main staple food, making it the most important food security crop in Sub-Saharan Africa. In Uganda, cassava is the second most important staple food crop in terms of production **but the most important for food security**. In Uganda, between 12-15 million people grow cassava on 400,000 hectares of land. Annual production peaked at 3.5 million tons in 1989.

Then a new and devastating form of cassava mosaic disease (CMD) struck, reducing national production levels by approximately 40 percent. From 1992-97, losses to CMD in Uganda alone were approximately \$60 million/annum. USAID and others (including ACDI/VOCA) stepped forward to address the pending crisis. Funding amounting to approximately \$9.5 million (of which a minimum of \$4 million was currency generated through sales of P.L. 480 Title III and Title II-provided commodities) was given to the International Institute for Tropical Agriculture (IITA) and the National Agricultural Research Organization (NARO), for both cassava research and deploying disease-resistant planting materials.

This still-continuing investment has basically rolled back cassava mosaic crop losses for farmers throughout Uganda. Moreover, disease resistant varieties of cassava are now being grown in six countries in the region.

Source: USAID/Uganda

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APPENDIX 1

Principal United States International Food Aid Programs

Programs	Agency	Purpose
P.L. 480: TITLE I	USDA	Concessional commodity sales through long-term loans.
TITLE II	USAID	Development and Emergency Relief Programs in partnership with PVOs, NGOs, WFP and Government-to-Government (emergency only).
TITLE III	USAID	Government-to-Government commodity donations to least developed countries linked to policy reforms.
Food for Progress Act of 1985	USDA	Commodity donations offered for emerging democracies/developing countries making commitments to introduce or expand free enterprise elements in their agricultural economies. Agreements may be with governments, PVOs, NGOs, private entities, cooperatives, intergovernmental organizations.
Agriculture Act of 1949: Section 416(b)	USDA	Surplus commodities to PVOs, NGOs, WFP, Government-to-Government, donated to accomplish foreign food aid objectives.
Food Security Commodity Reserve	USDA/USAID	A four million metric ton reserve that can be tapped to meet emergency humanitarian food needs in developing countries.

APPENDIX 2

U.S. FOREIGN ASSISTANCE FY 1999 (\$'000)

Grant Assistance \$ 7,935,600

(Enacted Amounts)

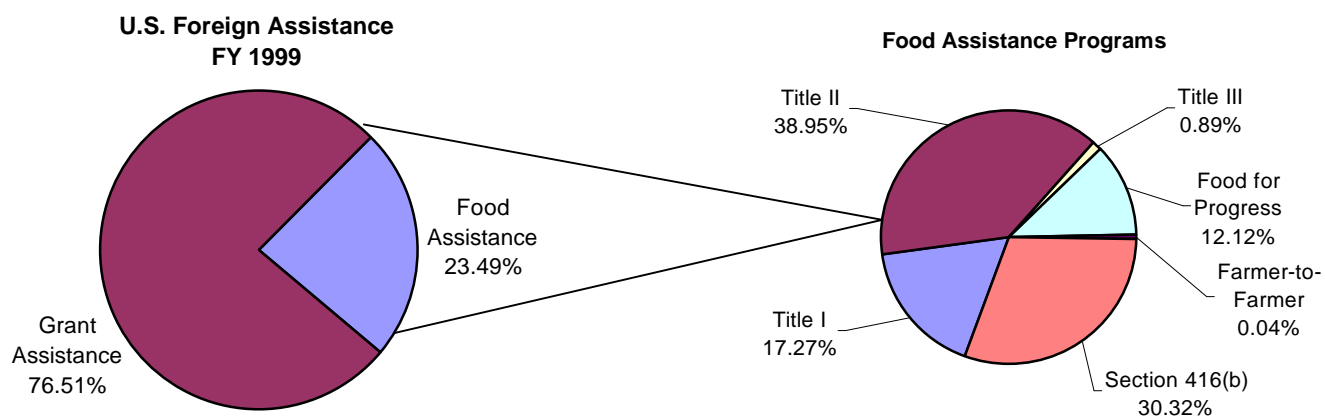
Economic Support Fund	\$ 3,213,831
Development Assistance	\$ 1,789,000
SEED/NIS *	\$ 1,397,000
International Disaster Assistance	\$ 388,000
Peace Corps	\$ 241,769
Migration and Refugee Assistance	\$ 906,000

* Support for Eastern European Democracy/Newly Independent States

Food Assistance Programs \$ 2,436,625

Title I	\$ 420,705
Title II	\$ 949,096
Title III	\$ 21,700
Food for Progress	\$ 295,375
Section 416(b)	\$ 738,879
Farmer-to-Farmer	\$ 10,870

Total U.S. Foreign Assistance \$10,372,225



APPENDIX 3
Public Law 480 Title I and Title III Programs, FY 1999

Title I Programs*			
Country	Commodity	Metric Tons	Value
Cote D'Ivoire	Rice	21,200	5,000,000
El Salvador	Tallow, Vegetable Oil	8,900	3,805,000
Ecuador	Soybean Meal (SBM)	27,900	5,000,000
Georgia	Wheat	32,800	4,300,000
Guatemala	Tallow, SBM	77,300	10,300,000
Guyana	Corn, SBM	8,300	1,300,000
Indonesia	Rice, Wheat	216,300	46,000,000
Jamaica	Rice	34,000	9,000,000
Pakistan	Wheat	104,800	13,000,000
Philippines	Rice, SBM, Feed Grain	139,200	30,000,000
Russia	Corn, Soybeans, Rice, Beef, Poultry	1,237,800	286,600,000
Uzbekistan	Soybeans	33,400	6,400,000
Total Title I		1,941,900	\$420,705,000

***Source: USDA/FAS 10/99**

Note: Not all agreed sales registered by 10/99. Value does not include ocean freight of \$44.2 million

Title III Programs**			
Country	Commodity	Metric Tons	Value
Ethiopia	Wheat	24,900	5,700,000
Haiti	Wheat, Wheat Flour	64,800	10,000,000
Mozambique	Wheat	26,700	6,000,000
Total Title III		116,400	\$21,700,000

****Source: USAID/BHR/FFPIS 10/99**

APPENDIX 4

P.L. 480 TITLE II EMERGENCY PROGRAMS IN FY 1999

COUNTRY	SPONSOR	COMMODITY	RECIPIENTS ¹ ('000)	TONNAGE (MT)	VALUE ² (\$'000)
Angola	FFP/EOS	Not Applicable (NA)	NA	NA	\$53.50
	CRS	Bulgur	No Info.		\$175.50
	WFP/IEFR	Beans, Corn, CSB, HE Biscuits	798	18,840	\$14,662.50
	WFP/PRO	Beans, Corn, CSB, Veg. Oil	2,160	23,607	\$18,984.30
Afghanistan	AKF*	CSB, Lentils, Veg. Oil, Wheat	182	6,690	\$4,885.80
	WFP/PRO	CSB, Other	10	2,520	\$1,473.90
Armenia	WFP/PRRO	Veg.Oil, Wheat	10	3,500	\$2,114.00
Azerbaijan	WFP/PRRO	Peas, Veg. Oil, Wheat	20	6,500	\$4,235.70
Balkans Region	CRS	Beans, HE Biscuits, Rice, Veg. Oil, Wh. Flour	150	21,290	\$12,465.50
	MCI	Beans, Rice, Veg. Oil, HE Biscuits	380	15,720	\$12,351.30
	WFP/IEFR	Beans, Veg. Oil, Wheat, Wheat Flour, CSB, Rice, HE Biscuits	1,820	43,180	\$32,269.40
Burundi	WFP/IEFR	Veg. Oil	1,399	520	\$656.30
Congo	WFP/IEFR	Beans, CSB, Cornmeal, Veg. Oil	350	8,150	\$5,855.80
Djibouti	WFP/PRO	Wheat, Wheat Flour, Veg. Oil	2	3,150	\$1,553.60
Dominican Rep.	ARC*	Beans, Rice, Veg. Oil, CSB	312	10,100	\$6,774.20
	WFP/IEFR	Beans, Peas, Rice, Veg. Oil, Bulgur	200	6,550	\$3,359.00
El Salvador	WFP/IEFR	Beans, Corn, Rice, Veg. Oil, CSB	67	2,140	\$1,114.20
	WFP/PRRO	Beans, Rice, Veg. Oil	10	950	\$579.80
Ethiopia	GTG ⁴	Sorghum, Wheat	No Info.	32,400	\$8,581.10
	REST	Veg. Oil, Wheat, Lentils	150	14,690	\$5,883.60
	CRS	Veg. Oil, Wheat, CSB	431	4,520	\$3,763.10
	WFP/IEFR	Veg. Oil, Lentils, CSB	1,468	19,550	\$11,629.90
	WFP/PRO	Peas, Veg. Oil	No Info.	3,500	\$3,092.30
Georgia	WFP/PRO	Peas, Veg. Oil	10	400	\$415.20
Guatemala	CARE	Beans, Bulgur, CSB, Rice, Veg. Oil	37	365	\$469.10
	CRS	Beans, Rice, Veg. Oil, CSB, Corn	264	4,715	\$3,585.70
	WFP/IEFR	Corn, Beans, Veg. Oil, Rice, CSB	105	2,940	\$1,796.30
	WFP/PRRO	Beans, CSB, Rice, Veg. Oil	10	1,180	\$686.10
Guinea	WFP/IEFR	CSB	200	500	\$261.70
	WFP/PRRO	CSB, Peas, Veg. Oil	737	4,400	\$3,572.90
Honduras	CARE	Corn, Beans, Veg. Oil, Rice, CSB, Cornmeal	490	20,386	\$13,241.20
	CRS	Beans, Corn, Rice, Veg. Oil	100	19,000	\$11,253.00
	WFP/IEFR	Corn, Beans, Veg. Oil, Rice, CSB	1	25,240	\$11,444.40
	WFP/PRRO	Beans, CSB, Rice, Veg. Oil	10	9,430	\$5,498.70
Indonesia	CARE	Rice, Beans	130	10,700	\$6,637.80
	CRS	Rice, Wheat-Soya Blend (WSB)	118	5,120	\$3,295.10
	CRS/IFTH	Rice	360	21,000	\$11,814.80
	CWS	Rice	126.7	2,110	\$1,348.00
	MCI*	Rice, CSB, Veg. Oil	18	5,520	\$3,541.20
	WFP/IEFR	Rice, Veg. Oil	No Info.	4,000	\$1,012.00
	WVI*	Rice, Veg. Oil	No Info.	11,170	\$6,927.30
Kenya	WFP/PRO	Peas, Lentils, CSB, Veg. Oil	349	5,930	\$4,552.80
Korea (DPRK)	CARE*	CSB, Rice	No Info.	15,000	\$8,301.60
	WFP/IEFR	CSB, Corn, Rice, Cornmeal (S-F)	16	70,000	\$38,363.50

COUNTRY	SPONSOR	COMMODITY	RECIPIENTS ¹ ('000)	TONNAGE (MT)	VALUE ² (\$'000)
Liberia	CRS*	Bulgur,CSB,Lentils, Veg. Oil	89	10,290	\$7,111.20
	WFP/PRO	Beans, Peas, CSB	737	5,370	\$3,405.20
	WFP/PRRO	CSB, Peas, Veg. Oil, Bulgur	811	3,700	\$2,340.40
Nicaragua	ADRA*	Beans, Rice, Veg. Oil, CSB	59	2,523.0	\$1,930.30
	PCI*	Beans, Rice, Veg. Oil, CSB	29	2,539.0	\$1,965.00
	SCF*	Beans, Rice, Veg. Oil, CSB	50	2,789.0	\$2,175.50
	WFP/IEFR	Beans, Rice, Veg. Oil, CSB, Corn	800	15,512.0	\$8,594.60
	WFP/PRRO	Beans, Rice, Veg. Oil,	20	6,340.0	\$4,435.20
Rwanda	GTG ⁴	Veg. Oil	NA	1,650	\$2,033.50
	WFP/IEFR	CSB, Cornmeal (S-F), Veg. Oil	1,399	7,730	\$5,200.70
	WFP/PRRO	CSB, Corn, Peas, Veg. Oil	20	12,220	\$4,998.70
Sahel Region	WFP/IEFR	Beans, Bulgur, Veg. Oil	1,040	14,920	\$8,186.30
Sierra Leone	CARE*	Bulgur, Lentils, Peas, CSB, Veg. Oil	151	7,670	\$5,429.90
	CRS*	Bulgur, CSB, Lentils, Veg. Oil	114	5,830	\$4,546.10
	WFP/PRO	CSB		1,030	\$605.70
	WFP/PRRO	CSB, Veg. Oil	74	2,270	\$1,487.20
	WVI*	Bulgur, Lentils, Veg. Oil	104	5,610	\$4,045.50
Somalia	CARE*	Corn, Sorghum, Wheat	25	16,000	\$9,939.60
Sudan	ADRA	CSB, Lentils, SF Sorghum Grits, Veg. Oil	57	7,780	\$4,946.20
	CRS*	CSB, Lentils, Sorghum, Veg. Oil	309	17,340	\$14,910.70
	FFP/EOS	Not Applicable (NA)	NA	NA	\$228.30
	LWR*	Lentils, Sorghum, Veg. Oil	230	11,070	\$13,195.10
	NPA	Lentils, Sorghum, Veg. Oil	120	8,570	\$5,909.10
	WFP/IEFR	CSB, Veg. Oil	2,360	7,000	\$15,225.00
	WFP/PRO	Wheat, Veg. Oil	138	9,380	\$3,816.00
	WVI*	Lentils, Sorghum	128	6,190	\$9,585.20
Tajikistan	WFP/PRRO	Wheat Flour	20	8,000	\$3,781.60
Tanzania	WFP/IEFR	CSB, Corn, Cornmeal, Peas, Veg. Oil	1,743	13,000	\$6,361.80
	WFP/PRRO	CSB,Corn, Cornmeal, Peas, Veg. Oil	40	42,500	\$24,991.80
Uganda	WFP/IEFR	CSB, Cornmeal, SF Cornmeal, Peas, Veg. Oil	337	15,500	\$8,472.90
	WFP/PRO	Corn, Peas	200	2,000	\$939.90
Zambia	WFP/IEFR	Sorghum	692	5,000	\$2,192.50
Unallocated, prepositioned		Beans, CSB, Lentils, Peas, Veg. Oil, Wheat	NA	27,720	\$13,008.00
WORLDWIDE SHIPPED TOTAL				792,216	\$500,527.40
WORLDWIDE TOTAL⁵			24,897	792,116	\$513,445.50

1 Recipient Information not available for all activities.

2 *Asterisk indicates Activity Values include Section 202(e) funds.

3 Food for Peace Emergency Operational Support.

4 Government-to-government agreement.

5 Adjusted for confirmed fallout and unallocated commodities.

Source: USAID/BHR/FFPIS, 12/99

APPENDIX 5

TITLE II DEVELOPMENT PROGRAMS IN FY 1999

COUNTRY	SPONSOR	COMMODITY	RECIPIENTS ¹ ('000)	TONNAGE (MT)	VALUE ² (\$)
Bangladesh	CARE*	Wheat	-	187,360	\$39,720,300
	WFP*	Wheat, Veg. Oil	1,530	16,550	\$6,635,600
Benin	CRS*	Bulgur, Veg. Oil, Wheat Soy Blend (WSB), Wheat	53	4,790	\$1,956,300
Bolivia	ADRA*	Lentils, Peas, Soy-fortified (SF) Bulgur, Wheat Flour, Corn Soya blend (CSB), SF Cornmeal	112	14,540	\$6,910,600
	CARE*	Bulgur, CSB, Peas, Wheat Flour	20	5,080	\$2,648,800
	FHI*	Lentils, Peas, SF Bulgur, Wheat Flour, CSB, SF Cornmeal	73	9,220	\$4,405,700
	PCI*	Lentils, Peas, SF Bulgur, Wheat Flour, CSB, SF Cornmeal	98	12,760	\$6,093,500
Burkina Faso	AFRICARE*	Wheat Flour	-	2,830	\$1,432,200
	CRS*	Beans, SF Bulgur, Rice, Veg. Oil	353	21,200	\$11,602,700
	WFP	Peas, Cornmeal	174	4,650	\$2,003,500
Burundi	WFP	CSB, Corn, Peas	10	4,240	\$1,687,200
Cameroon	WFP	Peas, Veg. Oil, Rice	56	4,030	\$1,974,400
Cape Verde	ACDI	Corn	-	9,490	\$1,765,100
	WFP	CSB	70	800	\$317,600
Central African Rep.	WFP	Peas, Veg. Oil, CSB	142	700	\$430,000
Chad	AFRICARE*	Wheat Flour	-	1,000	\$622,800
	WFP	Veg. Oil, SF Cornmeal	484	2,890	\$1,486,700
Cote D'Ivoire	WFP	Rice	210	400	\$201,200
Dominican Republic	WFP	Veg. Oil, Bulgur	120	1,900	\$711,700
Ecuador	WFP	Rice, CSB	91	1,350	\$642,000
Egypt	WFP	Lentils	65	1,000	\$457,000
El Salvador	WFP	Veg. Oil, Beans, Corn, Rice	392	3,250	\$1,589,800
Eritrea	AFRICARE*	Veg. Oil	-	530	\$727,700
Ethiopia	AFRICARE*	Veg. Oil, Wheat	-	4,190	\$1,933,900
	CARE	Veg. Oil, Wheat	5	10,060	\$3,950,800
	CRS	Veg. Oil, CSB, Wheat, Bulgur, Rice, Lentils	112	18,690	\$8,704,300
	EOC	Veg. Oil, Wheat	12	8,917	\$3,529,200
	FHI*	Veg. Oil, Wheat	7	9,710	\$4,087,500
	REST*	Veg. Oil, Wheat, Lentils	40	13,410	\$7,066,100
	SCF*	CSB, Wheat, Veg. Oil	8	1,200	\$673,700
	WFP	Wheat	1,860	14,000	\$4,788,000
	WVI*	Veg. Oil, Wheat	36	4,180	\$1,646,600
Gambia	CRS	CSB, Veg. Oil	33	3,200	\$2,073,100
	WFP	CSB	10	300	\$149,100
Ghana	ADRA*	Rice, SF Bulgur, WSB	40	16,680	\$4,710,700
	CRS*	Sorghum, SF Sorghum Grits, Veg. Oil, WSB, Wheat, Rice, CSB	233	26,330	\$9,494,200
	OICI*	Rice, Wheat	-	6,150	\$2,023,000
	TECHSRV	Wheat	-	16,000	\$3,808,000
	WFP	Peas, Veg. Oil	38	580	\$334,500
Guatemala	CARE*	Beans, Bulgur, CSB, Rice, Veg. Oil, SF Bulgur, Corn	113	18,340	\$4,984,700
	CRS*	Beans, Rice, Veg. Oil, CSB, Corn	23	45,080	\$9,402,500
	SHARE	Beans, Rice, Veg. Oil, CSB, Corn	85	4,850	\$1,631,900
	WFP	Corn, Beans, Veg. Oil	945	6,640	\$1,876,000
Guinea	WFP	Peas	57	160	\$58,100
Guinea Bissau	AFRICARE*	NOT APPLICABLE	-	-	\$202,700
Guyana	WFP	Wheat	31	2,050	\$584,200
Haiti	ADRA	SF Bulgur, Veg. Oil, Peas, WSB, Lentils	230	16,550	\$7,026,100
	CARE	Beans, SF Bulgur, WSB, Lentils, Wheat	231	6,750	\$3,040,400
	CRS	Lentils, SF Bulgur, Veg. Oil, WSB	209	12,330	\$5,339,100
	WFP	Veg. Oil, CSB, Cornmeal, Peas, SF Bulgur, Corn	578	4,400	\$1,575,200
Honduras	CARE	Beans, CSB, Rice, Veg. Oil, Wheat, Corn, Cornmeal	19	10,184	\$3,343,200
	WFP	Corn, CSB	47	9,440	\$2,220,100
India	CARE*	CSB, Veg. Oil	7,257	198,750	\$95,102,100
	CRS*	Bulgur, Veg. Oil, CSB	737	52,790	\$22,169,000

COUNTRY	SPONSOR	COMMODITY	RECIPIENTS ¹ ('000)	TONNAGE (MT)	VALUE ² (\$)
	WFP	CSB, Veg. Oil	171	25,660	\$10,632,400
Kenya	ADRA*	Wheat, Veg. Oil	-	1,890	\$985,200
	CARE	Veg. Oil	-	690	\$459,500
	CRS	CSB, Veg. Oil, Wheat	30	6,730	\$2,535,500
	FHI*	Veg. Oil, Wheat	-	2,680	\$960,500
	TECHSRV*	Veg. Oil	-	1,450	\$1,057,900
	WFP	Peas, Corn	350	5,450	\$1,544,800
	WVI*	Wheat, Veg. Oil	-	1,450	\$526,400
Lesotho	WFP	Cornmeal, Veg. Oil	104	2,040	\$970,600
Madagascar	ADRA*	Veg. Oil	-	2,480	\$1,818,100
	CRS*	CSB, Rice, SF Bulgur, Veg. Oil	56	6,490	\$3,317,200
	CARE*	Veg. Oil	-	3,280	\$2,293,200
	WFP	Rice	63	1,020	\$513,100
Mali	AFRICARE*	Wheat Flour	-	1,000	\$554,500
	WFP	Wheat Flour, Veg. Oil	10	2,200	\$1,110,600
Mauritania	DOULOS	SF Sorghum Grits, Veg. Oil, WSB	19	1,930	\$969,900
	WFP	Veg. Oil, CSB	20	430	\$258,600
Mozambique	ADRA*	Wheat	-	7,460	\$1,748,500
	AFRICARE*	Wheat	-	4,350	\$1,176,300
	CARE*	Wheat	-	14,310	\$3,622,900
	FHI*	Wheat	-	6,970	\$1,649,900
	SCF*	Wheat	-	4,730	\$1,255,800
	WFP	Peas, Veg. Oil	257	810	\$573,000
	WVI*	Wheat, Veg. Oil	-	42,480	\$14,130,800
Nicaragua	ADRA*	CSB, Veg. Oil, Beans, Rice	36	2,780	\$1,534,600
	PCI*	CSB, Veg. Oil, Beans, Rice	30	2,480	\$1,396,200
	SCF*	CSB, Veg. Oil, Beans, Rice, Corn	35	2,660	\$1,247,900
	WFP	CSB, Veg. Oil, Rice, Corn	410	4,480	\$1,630,200
Niger	WFP	CSB, Veg. Oil	60	870	\$754,700
Pakistan	WFP	Veg. Oil	766	4,610	\$4,531,600
Peru	ADRA*	Bulgur, Peas, Veg. Oil, Wheat Flour, CSB, Lentils	50	16,810	\$9,139,700
	CARE	Lentils, Rice, Veg. Oil, Wheat Flour	50	20,700	\$12,630,900
	CARITAS	Bulgur, Peas, Veg. Oil, Wheat Flour, CSB	68	23,540	\$14,186,900
	CRS	Veg. Oil	-	3,620	\$2,410,900
	PRISMA*	Bulgur, CSB, Peas, Veg. Oil	53	23,080	\$13,653,000
	TECHSRV	Veg. Oil	-	1,400	\$932,400
	WFP	Peas	256	290	\$105,300
Rwanda	CRS	Beans, Cornmeal, Veg. Oil, CSB	18	2,200	\$1,269,400
	WFP	Peas, Veg. Oil	10	320	\$216,400
Senegal	WFP	Veg. Oil, Rice	246	2,250	\$1,251,800
Sri Lanka	WFP	Rice	61	3,420	\$1,720,300
Tanzania	WFP	CSB, Veg. Oil	10	1,010	\$465,400
Uganda	ACDI*	Veg. Oil, Wheat	-	9,850	\$7,492,200
	AFRICARE*	Wheat	-	3,460	\$1,490,200
	TECHSRV*	Wheat	-	4,000	\$1,592,800
	WVI	Wheat	-	2,400	\$924,000
Yemen	WFP	Veg. Oil, WSB, Wheat Flour	114	2,630	\$1,558,100
Zambia	WFP	Veg. Oil, Beans	61	540	\$488,900
WORLDWIDE APPROVED LEVELS				1,139,851	\$450,839,400
WORLDWIDE TOTAL ³			20,461	1,139,851	\$435,650,200

1 Recipient information not available for all activities.

2 *Asterisk indicates Activity Values include Section 202(e) funds.

3 Adjusted for confirmed fallout and unallocated commodities.

Source: USAID/BHR/FFPIS, 12/28/99

APPENDIX 6
U.S. DEPARTMENT OF AGRICULTURE
FOOD FOR PROGRESS PROGRAM: FY 1999

Commodity Credit Corporation (CCC)-Funded				
Country	Sponsor	Commodity	Metric Tons (NMT)	Value (\$)
Armenia	FAR	Corn Soy Blend, Beans, Lentils, Rice	3,200	3,345,722.90
	UMCOR	Peas, Oil, Wheat flour, Dry Milk, Wheat soy Vegetable Oil, Dry Milk	2,500	3,470,278.00
Azerbaijan	ADRA	Corn Oil, Rice, Beans, Vegetable Oil	3,820	1,907,607.20
Bosnia/Herzegovina	MCI	Sunflower Oil	3,500	2,894,640.00
Central America	PCI	Corn, Soybean Meal	5,700	686,814.00
El Salvador	TNS	Soybean Meal	8,000	1,351,245.00
Equatorial Guinea	IPHD	Rice, Beans, Vegetable Oil, Wheat Flour	1,040	576,166.80
Georgia	IOCC	Beans, Rice, Sunflower Oil, Vegetable Oil	3320	2,532,816.10
	IRC	Soybean Meal	4,000	720,000.00
	UMCOR	Soybean Oil	1,200	782,088.00
Haiti	SM	Pinto Beans	3,900	1,535,463.80
Honduras	ZAMORANO	Tallow	2,000	636,250.00
Indonesia	ACDI/VOCA	Soybean Meal	10,000	1,754,500.00
	IRD	Wheat	30,000	3,844,500.00
Ivory Coast	WINROCK	Brown Rice	15,000	4,507,338.50
Kaz., Turk., Uzbek.	ARC	Rice, Beans, Vegetable Oil	4,050	2,389,164.60
Kyrgyzstan	AIA	Rice, Soybean Oil, Wheat Flour	3,000	1,441,015.00
	ACDI/VOCA	Wheat	5,000	603,650.00
	MCI	Vegetable Oil, Milled Rice	2,750	1,808,740.10
Moldova	IPHD	Rice, Beans, Soybean Oil	1,950	683,689.50
Nicaragua	TNS	Soybean Meal	6,000	1,071,000.00
Russia	CHAMAH	Beans, Rice, Vegetable Oil, Nonfat Dry Milk, Pink Salmon, Wheat Flour	7,502	8,866,873.00
South Africa	AFRICARE	Crude Soy Oil	3,000	1,186,500.00
Swaziland	WV	NS Wheat	10,000	1,577,700.00
Tajikistan	AKF	Corn Soy Blend, Vegetable Oil, Dry Milk	2,900	2,444,680.00
	CARE	Vegetable Oil	560	404,941.60
	GOT	Wheat Seeds	2,000	1,081,578.60
	MCI	Rice, Vegetable Oil, Yellow Peas	2,800	1,386,232.90
	STC	Corn Soya Milk, Rice, Vegetable Oil	2,420	1,123,279.40
Togo	OICI	Milled Rice	8,000	2,297,550.00
Zimbabwe	CNFA	Crude Soy Oil	2,500	1,139,250.00
Total			161,612	60,051,269.00

Source: USDA/FAS, 12/99

NOTE: Totals subject to change. Value does not include ocean freight

P.L. 480 Title I-Funded Food for Progress - FY 1999			
Country	Commodity	Metric Tons	Value
Bosnia-Herzegovina	Sun Oil	4,750	3,863,080
Honduras	Soybean Meal, Wheat	59,500	8,404,019
Nicaragua	Pinto Beans	5,000	2,486,596
Russia	Peas, Beans, Lentils, Rice,		
	Seeds, Veg. Oil, Dry Milk, Pork,	182,778	220,570,580
Total Title I: Food for Progress		252,028	\$235,324,275

Source: USDA/FSA, 01/00

APPENDIX 7
SECTION 416 (b) PROGRAM DONATIONS FOR FY 1999:
DONATIONS BY REGION – REGULAR AND WORLD FOOD PROGRAM
Metric Tons (MT) Donated & Commodity Value

Country by Region	MT (000)			VALUE (\$000)	
	REGULAR	WFP		REGULAR	WFP
AFRICA					
Congo		5.00			930.69
Ethiopia		105.00			11,996.15
Guinea		11.70			2,217.26
Guinea-Bissau		8.30			1,566.22
Kenya	20.00			2,615.20	
Liberia		18.70			3,476.75
Rwanda		30.70			3,100.12
Senegal		0.26			597.83
Sudan		112.18			12,521.16
Uganda		0.20			454.72
Total	20.00	292.04		2,615.20	36,860.90
ASIA & THE MIDDLE EAST					
Afghanistan		100.00			12,464.07
Bangladesh	600.00	100.00		73,061.43	11,620.00
China		200.00			21,942.25
Indonesia	186.50	170.00		40,633.02	20,963.57
Korea, North	80.00	555.30		5,131.55	83,537.17
Mongolia	15.00			1,526.20	
Pakistan	300.00	4.00		35,824.43	823.52
Philippines	50.00			7,642.50	
Sri Lanka	50.00			6,212.50	
Vietnam	25.00			3,260.45	
Yemen	100.00	10.00		21,310.80	1,609.95
Total	1,406.50	1,139.30		194,602.88	152,960.53
EUROPE					
Albania	6.00			1,339.98	
Bosnia-Herzegovina	16.50			2,060.54	
FYROM (Macedonia)	74.88			9,789.14	
Montenegro	15.00			1,312.50	
S. Balkans/Kosovo		65.00			13,043.72
Total	112.38	65.00		14,502.16	13,043.72
LATIN AMERICA & CARIBBEAN					
Central American Regional	6.02			503.48	
Dominican Republic	100.00	0.21		14,236.01	477.80
Ecuador		0.51			1,165.65
El Salvador	40.00	0.25		4,731.33	577.05
Guatemala	40.00			5,225.57	
Guayana	39.80			5,316.53	
Haiti	2.10			218.04	
Honduras	65.00			7,856.28	
Nicaragua	75.00			10,491.10	
Peru		15.00			1,846.62
Total	367.92	15.97		48,578.34	4,067.12
NEAR EAST					
Jordan	100.00			11,924.26	
Total	100.00	-		11,924.26	-
NIS COUNTRIES					
Armenia		0.50			104.93
Azerbaijan	12.58	3.00		1,512.70	618.53
Georgia	45.38	1.50		5,700.41	314.78
Kyrgyzstan	70.00			8,050.00	
Moldova	20.00			3,748.99	
Russia	1,735.53			232,828.02	
Tajikistan	31.39	0.50		4,708.92	1,154.11
Turk/Uz/Kaz	3.87			982.44	
Total	1,918.75	5.50		257,531.48	2,192.35
Total Allocated – All Countries	3,925.55	1,517.81		529,754.32	209,124.62
Reserve/Prepositioning	639.58			75,386.05	
Program Totals	4,565.13	1,517.81		605,140.37	209,124.62

Note: Metric tons reflect agreement amounts. In eight cases total amounts were not shipped in 1999.

Values are based on shipped amounts reported as of December 31, 1999. Cost of ocean freight is not included.

Note: Totals subject to change

APPENDIX 8
USAID BUREAU FOR HUMANITARIAN RESPONSE/FOOD FOR PEACE OFFICE
Section 202(e) & ISA Funds Allocation
FY 1995 - 1999 (Development & Emergency Activities)

	FY 1995	FY 1996	FY 1997	FY 1998	FY 1999
Section 202(e) Levels	\$13,500,000	\$25,000,000	\$28,000,000	\$28,000,000	\$28,000,000
Section 202 (e) Funds for ISAs	\$1,362,095	\$1,934,829	\$3,158,874	\$865,180	\$1,911,401
FFP DA Levels	\$5,507,000	\$4,157,000	\$5,140,000	\$5,000,000	\$5,091,000
DA Funds Used for ISAs	\$3,400,000	\$2,747,154	\$2,776,762	\$4,134,820	\$3,088,599
ISA Levels (From Section 202(e) and DA Funds)	\$4,762,095	\$4,681,983	\$5,935,636 ¹	\$5,000,000	\$5,000,000

Source: USAID/BHR/FFP

APPENDIX 9
P.L. 480 Title II
FY 1999 Congressional Mandates

	Subminimum	Minimum	Monetization	Value-added	Bagged in U.S.
FY 1999 Target	1,550,000	2,025,000	15.0%	75.0%	50.0%
Final Status Sept. 1999	1,281,238	2,376,875	52.1%	58.1%	58.8%

Subminimum: Metric tons programmed for non-emergency program through PVOs/CDOs and the WFP. Metric Ton Grain Equivalent (MTGE) used to report against target.

Minimum: Total metric tons programmed under Title II. MTGE used to report against target.

Monetization: Percentage of non-emergency programs that are PVO Monetization programs.

Value-added: Percentage of non-emergency program food commodities that are processed, fortified, or bagged.

Bagged in U.S.: Percentage of bagged non-emergency commodities that are whole grain to be bagged in the United States.

Source: USAID/BHR/FFP 12/13/99

APPENDIX 10
SUMMARY: TOTAL U.S. FOOD AID FY 1999

			METRIC TONS	U.S. DOLLARS
P.L. 480	Title I		1,941,900	\$420,705,000
	Title II	Emergency	792,116	\$513,445,500
		Development	1,139,851	\$435,650,200
	Title III		116,400	\$21,700,000
Subtotal P.L. 480			3,990,267	\$1,391,500,700
Food for Progress	Title I - Funded		252,028	\$235,324,275
	CCC - Funded		161,612	\$60,051,269
Subtotal FFP			413,640	295,375,544
Section 416(b)				
Allocated*	Regular		3,925,550	\$529,754,220
	WFP		1,517,810	\$209,124,620
Subtotal Section 416(b) Programs			5,443,360	\$738,878,840
Farmer to Farmer				\$10,870,000
GRAND TOTAL			9,847,267	\$2,436,625,084

* Does not include Reserve/Pre-Positioning

Note: Does not include \$28,000,000 Section 202(e) and
\$5,000,000 ISA/DA

Does not include Section 416(b) cost of ocean
freight

APPENDIX 11
FOOD AID CONVENTION
ANNUAL GRAIN SHIPMENTS
1995/96 - 1998/99
(July/June years)

In Metric Tons (MT): Wheat Equivalent

DONOR	MINIMUM ANNUAL CONTRIBUTION (1995 Conv.)	1995/96	1996/97(e)	1997/98	1998/99‡	MINIMUM ANNUAL CONTRIBUTION (1999 Conv.)	
						TONNAGE COMMITMENT	VALUE COMMITMENT (in Euros)
AUSTRALIA	300,000	298,146	305,127	293,221	273,064	250,000	130,000,000
CANADA	400,000	448,764	468,431	417,917	487,095	420,000	
EU	1,755,000	2,413,991	2,049,591	2,201,162	1,962,481	1,320,000	
JAPAN	300,000	474,870	326,835	302,626	560,135	300,000	
USA	2,500,000	2,849,384	2,553,283	2,818,500	4,734,121	2,500,000	
OTHER*	95,000	95,112	71,452	77,221	110,232	105,000	
TOTAL	5,350,000	6,580,267	5,774,719	6,110,647	8,127,128	4,895,000	130,000,000

Note: 1999 Convention Contributions can be in MT, monetary value, or a combination of the two.

* Argentina, Switzerland, Norway

‡ Includes contributions under IEF - Immediate Response Account (IRA), as reported by WFP.

All shipments listed were in respect of the Food Aid Convention, 1995

Source: International Grains Council Secretariat

APPENDIX 12

COUNTRIES WITH APPROVED U.S. FOOD ASSISTANCE PROGRAMS – FY 1999

Title I (13 countries)	Title I-funded Food for Progress (4 countries)	Title II (continued)	Section 416 (b) (continued)
Cote D'Ivoire			Guinea-Bissau
El Salvador	Bosnia- Herzegovina	Mali	Haiti
Ecuador	Honduras	Mauritania	Honduras
Georgia	Nicaragua	Mozambique	Indonesia
Guatemala	Russia	Nicaragua	Jordan
Guyana		Niger	Kazakistan
Honduras		North Korea	Kenya
Indonesia	Title II (56 countries 2 regions)	Pakistan	Korea, North
Jamaica		Peru	Kyrgyzstan
Pakistan		Rwanda	Liberia
Philippines		Senegal	Moldova
Russia	Afghanistan	Sierra Leone	Mongolia
Uzbekistan	Angola	Somalia	Montenegro
	Armenia	Sri Lanka	Nicaragua
Title III (3 countries)	Azerbaijan	Sudan	Pakistan
	Bangladesh	Tajikistan	Peru
Ethiopia	Benin	Tanzania	Philippines
Haiti	Bolivia	Uganda	Russia
Mozambique	Burkina Faso	Yemen	Rwanda
	Burundi	Zambia	Senegal
	Cameroon		Sri Lanka
CCC-funded Food For Progress (23 countries)	Cape Verde	Balkans Region	Sudan
	Central African Republic	Sahel Region	Tajikistan
	Chad		Turkmenistan
	Congo	Section 416(b) (45 countries 2 regions)	Uganda
	Côte D'Ivoire		Uzbekistan
Armenia	Djibouti	Afghanistan	Vietnam
Azerbaijan	Dominican Republic	Albania	Yemen
Bosnia-Herzegovina	Ecuador	Armenia	
Cote D'Ivoire	Egypt	Azerbaijan	Balkans Region
El Salvador	El Salvador	Bangladesh	Central American Region
Equatorial Guinea	Eritrea	Bosnia-Herzegovina	
Georgia	Ethiopia	China	
Guatemala	Gambia	Congo	
Haiti	Georgia	Dominican Republic	
Honduras	Ghana	Ecuador	
Indonesia	Guatemala	El Salvador	
Kazakistan	Guinea	Ethiopia	
Kyrgyzstan	Guinea Bissau	FYROM	
Moldova	Guyana	(Macedonia)	
Nicaragua	Haiti	Georgia	
Russia	Honduras	Guatemala	
South Africa	India	Guyana	
Swaziland	Indonesia	Guinea	
Tajikistan	Kenya		
Togo	Lesotho		
Turkmenistan	Liberia		
Uzbekistan	Madagascar		
Zimbabwe			

THIS REPORT HAS BEEN PREPARED BY THE
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